

NEW ISSUES – BOOK ENTRY ONLY**NOT RATED**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel, under existing statutes and court decisions and assuming compliance with certain tax covenants described herein, (i) interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2020A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. Bond Counsel is further of the opinion that, under existing statutes, interest on the Series 2020A 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. In addition, interest on the Series 2020B Bonds is included in 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.

\$42,055,000
BUILD NYC RESOURCE CORPORATION
Revenue Bonds (St. Francis College Project)
\$17,540,000 Series 2020A
\$24,515,000 Series 2020B (Taxable)

Dated: Date of Issuance**Due: December 31, 2025**

The Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020A (the “Series 2020A Bonds”) and Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) (the “Series 2020B Bonds” and, together with the Series 2020A Bonds, the “Series 2020 Bonds”) are issuable by Build NYC Resource Corporation (the “Issuer”) only in fully registered form in the denomination of (i) for any Series 2020 Bond beneficially owned by a client of Hamlin Capital Management, LLC, \$100,000 and any integral multiple of \$1,000 in excess thereof; (ii) for any Series 2020 Bond not in category (i), \$250,000 and any integral multiple of \$1,000 in excess thereof; or (iii) \$25,000 and any integral multiple thereof when the Series 2020 Bonds have received an investment grade rating from a rating agency. The Series 2020 Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”). Purchases of the Series 2020 Bonds will be made in book entry only form. See “BOOK-ENTRY ONLY SYSTEM” herein. Interest on the Series 2020 Bonds will be payable by U.S. Bank National Association, as trustee for the Series 2020 Bonds (the “Trustee”), on each June 30 and December 31, commencing June 30, 2020. The Series 2020 Bonds are subject to optional redemption, extraordinary optional redemption and mandatory redemption, and to purchase in lieu of redemption, as described herein.

The Series 2020 Bonds are being issued for the benefit of St. Francis College (the “College”), pursuant to an Indenture of Trust, dated as of June 1, 2020 (the “Indenture”), between the Issuer and the Trustee. The proceeds of the Series 2020 Bonds will be loaned to the College pursuant to a Loan Agreement, dated as of June 1, 2020 (the “Loan Agreement”), between the Issuer and the College. The Series 2020 Bonds will be secured by (i) loan payments to be made by the College under the Loan Agreement, (ii) the hereinafter defined Series 2020 Obligations, and (iii) the funds and accounts established under the Indenture. The Series 2020A Bonds are secured by payments to be made pursuant to the Master Trust Note (Build NYC Resource Corporation - Series 2020A) relating to the Series 2020A Bonds (the “Series 2020A Obligation”) and the Series 2020B Bonds are secured by payments to be made pursuant to the Master Trust Note (Build NYC Resource Corporation - Series 2020B/C) relating to the Series 2020B Bonds (the “Series 2020B/C Obligation” and, together with the Series 2020A Obligation, the “Series 2020 Obligations”) each issued pursuant to a Master Trust Indenture, dated as of June 1, 2020 (the “Master Trust Indenture”), as supplemented, including as supplemented by Supplemental Indenture No. 1 and Supplemental Indenture No. 2, each dated as of June 1, 2020 (collectively, the “Supplemental Indentures”), each by and between the College, as sole Member of the Obligated Group established under the Master Trust Indenture, and UMB Bank, National Association, as master trustee (the “Master Trustee”), and each issued in favor of the Issuer and then endorsed by the Issuer to the Trustee. The College’s obligations under the Loan Agreement and the Series 2020 Obligations are general obligations of the College. The Series 2020 Obligations are secured by a pledge of Revenues (as described herein) of the College and any future Member of the Obligated Group (as described herein) and a mortgage lien (as more fully described herein) on the College’s facility located at 180 Remsen Street, Brooklyn, New York. Pursuant to the Indenture, the Issuer will assign to the Trustee substantially all of its right, title and interest in and to the Loan Agreement (except for the Issuer’s Reserved Rights), including all rights to receive the payments of principal or Redemption Price of, Purchase Price of, and interest on, the Series 2020 Bonds to be made by the College pursuant to the Loan Agreement. See “SECURITY FOR THE SERIES 2020 BONDS” herein.

The Series 2020 Bonds are special limited revenue obligations of the Issuer, payable as to principal, Redemption Price, Purchase Price and interest, from and secured by payments made by the College under the Loan Agreement and from the Trust Estate (as hereinafter defined), and are further secured by the Series 2020 Obligations. 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, Redemption Price or Purchase Price of, or the interest on, the Series 2020 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 2020 Bonds. The Series 2020 Bonds will not be payable out of any funds of the Issuer other than those pledged therefor pursuant to the Indenture. The Series 2020 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, Redemption Price or Purchase Price of, or the interest on, the Series 2020 Bonds, against any member, officer, director, employee or agent of the Issuer. The Issuer has no taxing power.

Proceeds of the Series 2020A Bonds will be applied to (i) refund all of the Dormitory Authority of the State of New York St. Francis College Revenue Bonds, Series 2014, (ii) finance and refinance the New Money Bond Financed Property (as defined in the Indenture), including classroom furniture, energy efficient upgrades and information technology and related items of personal property, (iii) fund a deposit to a Debt Service Reserve Fund and (iv) pay a portion of the costs of issuance of the Series 2020A Bonds. Proceeds of the Series 2020B Bonds will be applied to (i) refund and defease all of the Dormitory Authority of the State of New York St. Francis College Revenue Bonds, Series 2010, (ii) fund a deposit to a Debt Service Reserve Fund and (iii) pay a portion of the costs of issuance of the Series 2020B Bonds. See “PLAN OF FINANCE” and “THE SERIES 2020 BONDS” in this Limited Offering Memorandum.

So long as a majority in aggregate principal amount of the outstanding Series 2020 Bonds issued under the Indenture are beneficially owned by persons for whom Hamlin Capital Management, LLC serves as investment advisor, Hamlin Capital Management, LLC, as the Bondholder Representative (the “Bondholder Representative”), will have the sole power to, among other things, direct the pursuit of remedies under the Indenture and give or withhold any consent, approval, direction or waiver required or permitted to be given by holders of the Series 2020 Bonds under the Indenture, the Loan Agreement, the Master Trust Indenture, the Supplemental Indentures and the Mortgage (as defined herein), including any consent to amendments to the Indenture, the Loan Agreement, the Master Trust Indenture, the Supplemental Indentures or the Mortgage, which may include changes in the principal and interest payable on the Series 2020 Bonds and the due dates for such payments, and

Bondholders will have no rights with respect to such matters other than through the Bondholder Representative. See “RISK FACTORS – Control by Bondholder Representative of Rights and Remedies” herein.

The Series 2020 Bonds are offered when, as and if accepted by the Underwriter, subject to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Issuer, and certain other conditions. Certain legal matters will be passed upon for the Issuer by its General Counsel, and for the College by its special counsel, Squire Patton Boggs (US) LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that delivery of the Series 2020 Bonds will take place through the facilities of DTC on or about June 22, 2020.

RBC Capital Markets

Dated: June 18, 2020.

SERIES 2020 BONDS

\$17,540,000

**Build NYC Resource Corporation
Revenue Bonds (St. Francis College Project), Series 2020A**

\$17,540,000 Series 2020A Term Bond due December 31, 2025, Interest Rate 5.000%, Price 98.813%,
CUSIP⁽¹⁾: 12008EQR0

\$24,515,000

**Build NYC Resource Corporation
Revenue Bonds (St. Francis College Project), Series 2020B (Taxable)**

\$24,515,000 Series 2020B Term Bond due December 31, 2025, Interest Rate 5.250%, Price 98.821%,
CUSIP⁽¹⁾: 12008EQS8

⁽¹⁾ CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the Series 2020 Bonds and none of the Issuer, the Underwriter or the College makes any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

The information contained in this Limited Offering Memorandum has been obtained from the Issuer, the College and other sources which are believed to be reliable. As to information from the College, it is to be construed as a representation by the College and not by the Issuer. The information contained in this Limited Offering Memorandum is subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale 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 Issuer has provided the information set forth under the headings “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer” and makes no representation, warranty or certification as to the adequacy or accuracy of the information set forth anywhere else in this Limited Offering Memorandum.

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 and this Limited Offering Memorandum is not to be construed as the promise or guarantee of the Underwriter.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2020 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER AND ITS AFFILIATES MAY ALSO COMMUNICATE INDEPENDENT INVESTMENT RECOMMENDATIONS, MARKET COLOR OR TRADING IDEAS AND/OR PUBLISH OR EXPRESS INDEPENDENT RESEARCH VIEWS IN RESPECT OF THE SERIES 2020 BONDS AND MAY AT ANY TIME HOLD, OR RECOMMEND TO CLIENTS THAT THEY SHOULD ACQUIRE, LONG AND/OR SHORT POSITIONS IN SUCH SERIES 2020 BONDS.

The order and placement of material in this Limited Offering Memorandum, including its appendices, are not to be deemed a determination of relevance, materiality or importance, and all material in this Limited Offering Memorandum, including the appendices, must be considered in its entirety.

The contents of this Limited Offering Memorandum are not to be construed as legal, business or tax advice. Prospective investors should consult their own attorneys and business and tax advisors as to legal, business and tax advice. In making an investment decision, prospective investors must rely on their own examination of the terms of the offering of the Series 2020 Bonds, including the merits and risks involved. This Limited Offering Memorandum is not to be construed as a contract or agreement between the Issuer and the purchasers or holders of any Series 2020 Bonds.

THE SERIES 2020 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, 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 2020 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH SERIES 2020 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 2020 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2020 Bonds in any jurisdiction in which such offer, solicitation or sale is not qualified under applicable law or to any person to whom it is unlawful to make such offer, solicitation or sale.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Certain statements included or incorporated by reference in this Limited Offering Memorandum constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “intend,” “projection” or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information in “APPENDIX A – ST. FRANCIS COLLEGE.” Such forward-looking statements speak only as of the date of this Limited Offering Memorandum.

Forward-looking statements inherently are subject to a variety of risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, among others, general economic and business conditions, changes in political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, litigation and various other events, conditions and circumstances, many of which are beyond the control of the College. THE COLLEGE DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO RELEASE PUBLICLY ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED HEREIN TO REFLECT ANY CHANGE IN THE COLLEGE’S EXPECTATIONS WITH REGARD THERETO OR ANY CHANGE IN EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED.

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**LIMITED OFFERING MEMORANDUM
RELATING TO**

\$42,055,000

**Build NYC Resource Corporation
Revenue Bonds (St. Francis College Project),
\$17,540,000 Series 2020A
\$24,515,000 Series 2020B (Taxable)**

INTRODUCTION

This Limited Offering Memorandum (including the front cover page, the inside front cover page and the Appendices) is being distributed in connection with the offering and sale of \$17,540,000 in aggregate principal amount of Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020A (the “Series 2020A Bonds”) and \$24,515,000 in aggregate principal amount of Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) (the “Series 2020B Bonds” and, collectively with the Series 2020A Bonds, the “Series 2020 Bonds”) by Build NYC Resource Corporation (the “Issuer”), 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 College anticipates that on or about July 16, 2020, the Issuer will issue, upon the request of the College, its Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020C (the “Series 2020C Bonds”) in the principal amount of the Series 2020B Bonds Outstanding as of the date of issuance of the Series 2020C Bonds, the Series 2020B Bonds will be converted and exchanged for the Series 2020C Bonds, and the Series 2020B Bonds will be redeemed in whole. See “THE SERIES 2020C BONDS” and “THE SERIES 2020 BONDS – Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option.” This Limited Offering Memorandum describes the Series 2020C Bonds if and when issued. References in this Limited Offering Memorandum to the Series 2020 Bonds include the Series 2020C Bonds if and when issued, as and to the extent described under “THE SERIES 2020C BONDS.” The Series 2020C Bonds are not offered by this Limited Offering Memorandum.

The Series 2020 Bonds are being issued pursuant to an Indenture of Trust dated as of June 1, 2020 (the “Indenture”) between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The Trustee also will serve as Paying Agent and Bond Registrar for the Series 2020 Bonds.

The Issuer will loan the proceeds of the Series 2020 Bonds to St. Francis College (the “College”), pursuant to the Loan Agreement, dated as of June 1, 2020, between the Issuer and the College (the “Loan Agreement”), for the purposes described below. The College will be obligated under the Loan Agreement to make payments on such dates and in such amounts sufficient to pay principal, Redemption Price or Purchase Price of, and interest on, the Series 2020 Bonds as and when the same become due.

The repayment obligations of the College with respect to the Series 2020 Bonds are secured by loan payments to be made by the College under the Loan Agreement, the funds and accounts established under the Indenture, and, with respect to the Series 2020A Bonds, the Master Trust Note (Build NYC Resource Corporation - Series 2020A) (the “Series 2020A Obligation”) issued under the Master Trust Indenture, dated as of June 1, 2020 (the “Master Trust Indenture”), as supplemented, including as supplemented by Supplemental Indenture No. 1 and Supplemental Indenture No. 2, each dated as of June 1, 2020 (the “Supplemental Indentures”), each by and between the College, as sole Member of the Obligated Group established under the Master Trust Indenture, and UMB Bank, National Association, as master trustee (the “Master Trustee”), and with respect to the Series 2020B Bonds and, if and when issued, the

Series 2020C Bonds, the Master Trust Note (Build NYC Resource Corporation - Series 2020B/C) (the “Series 2020B/C Obligation” and, together with the Series 2020A Obligation, the “Series 2020 Obligations”) issued under the Master Trust Indenture. The College’s obligations under the Loan Agreement and the Series 2020 Obligations are general obligations of the College. The Series 2020 Obligations are executed in favor of the Issuer, and endorsed by the Issuer to the Trustee. The Series 2020 Obligations are secured by a pledge of Revenues (as described herein) of the College and any future Member of the Obligated Group and a mortgage lien on the Mortgaged Property (as more fully described herein). See “SECURITY FOR THE SERIES 2020 BONDS,” “APPENDIX C – FORM OF LOAN AGREEMENT,” “APPENDIX E-1 – FORM OF MASTER TRUST INDENTURE” and “APPENDIX E-2 – FORMS OF SUPPLEMENTAL INDENTURES.”

Pursuant to the Indenture, the Issuer will assign to the Trustee substantially all of its right, title and interest in and to the Loan Agreement (except for the Issuer’s Reserved Rights), including all rights to receive the payments of principal, Redemption Price or Purchase Price of, and interest on, the Series 2020 Bonds to be made by the College pursuant to the Loan Agreement.

The Series 2020 Bonds are special limited revenue obligations of the Issuer payable solely from the payments made by the College under the Loan Agreement and from the Trust Estate as described in the Indenture. See “SECURITY FOR THE SERIES 2020 BONDS.”

Proceeds of the Series 2020A Bonds will be applied to (i) refund all of the Dormitory Authority of the State of New York St. Francis College Revenue Bonds, Series 2014 (the “DASNY 2014 Bonds”), (ii) finance and refinance the New Money Bond Financed Property (as defined in the Indenture) including classroom furniture, energy efficient upgrades and information technology and related items of personal property, (iii) fund a deposit to the Debt Service Reserve Fund (Series 2020A) and (iv) pay a portion of the costs of issuance of the Series 2020A Bonds (collectively, the “Series 2020A Project”). Proceeds of the Series 2020B Bonds will be applied to (i) refund and defease all of the Dormitory Authority of the State of New York St. Francis College Revenue Bonds, Series 2010 (the “DASNY 2010 Bonds”), (ii) fund a deposit to the Debt Service Reserve Fund (Series 2020B/C) and (iii) pay a portion of the costs of issuance of the Series 2020B Bonds (collectively, the “Series 2020B Project” and, together with the Series 2020A Project, the “Project”). See “PLAN OF FINANCE” and “THE SERIES 2020 BONDS” in this Limited Offering Memorandum.

The College expects the Public Finance Authority (“PFA”) to issue its Public Finance Authority Taxable Revenue Bonds, St. Francis College Issue, Series 2020, as draw-down bonds, in the maximum aggregate principal amount of \$33,745,000 (the “PFA 2020 Bonds”), on or about the date of issuance of the Series 2020 Bonds. The proceeds of the sale of the PFA 2020 Bonds will be used to (i) provide for potential working capital needs of the College while undertaking a strategic transaction, (ii) fund a deposit to a reserve fund and (iii) pay costs of issuance of the PFA 2020 Bonds and of the Series 2020 Bonds. Concurrently with the issuance of the PFA 2020 Bonds, the repayment obligation of the College with respect thereto shall be evidenced by the Master Trust Note (Public Finance Authority – Series 2020) (the “PFA 2020 Obligation”) executed by the College under the Master Trust Indenture in favor of PFA, and endorsed by PFA to UMB Bank, National Association, as trustee for the PFA 2020 Bonds.

The front portion of this Limited Offering Memorandum contains brief descriptions of the Issuer, the College, the Indenture, the Loan Agreement, the Master Trust Indenture, the Supplemental Indentures, the Series 2020 Obligations, the Mortgage (as defined herein), the Assignment of Leases and Rents (as defined herein) and the Continuing Disclosure Agreement (as defined herein). Additional information about the College is set forth in “APPENDIX A – ST. FRANCIS COLLEGE.” The audited financial statements of the College as of and for the two fiscal years ended June 30, 2019 and June 30, 2018 are included in “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF ST. FRANCIS COLLEGE

FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (INCLUDING JUNE 30, 2018 COMPARATIVE INFORMATION).” Forms of the Loan Agreement, the Indenture and the Master Trust Indenture are included as “APPENDIX C – FORM OF LOAN AGREEMENT,” “APPENDIX D – FORM OF INDENTURE,” “APPENDIX E-1 – FORM OF MASTER TRUST INDENTURE” and “APPENDIX E-2 – FORMS OF SUPPLEMENTAL INDENTURES,” respectively. The proposed forms of opinion of Bond Counsel are included in “APPENDIX F – FORMS OF BOND COUNSEL OPINION.” The proposed form of the Continuing Disclosure Agreement is included as “APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT.”

All references in this Limited Offering Memorandum to the Indenture, the Loan Agreement, the Master Trust Indenture, the Supplemental Indentures, the Series 2020 Obligations, the Mortgage, the Assignment of Leases and Rents and the Continuing Disclosure Agreement are qualified in their entirety by reference to such documents, and the description of the Series 2020 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. All such descriptions are further qualified in their entirety by reference to laws relating to or affecting the enforcement of creditors’ rights generally. Copies of the Indenture, the Loan Agreement, the Master Trust Indenture and the Supplemental Indentures may be obtained prior to the date of issuance of the Series 2020A Bonds and the Series 2020B Bonds from RBC Capital Markets, LLC (the “Underwriter”), and on and after the date of issuance of the Series 2020 Bonds from the Trustee. Capitalized terms used and not defined herein have the meanings set forth in the Indenture, the Loan Agreement, the Master Trust Indenture or the Supplemental Indentures, as applicable. See “APPENDIX C – FORM OF LOAN AGREEMENT,” “APPENDIX D – FORM OF INDENTURE,” “APPENDIX E-1 – FORM OF MASTER TRUST INDENTURE” and “APPENDIX E-2 – FORMS OF SUPPLEMENTAL INDENTURES.”

THE ISSUER

The Issuer is a not-for-profit local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York (the “State”), as amended, at the direction of the Mayor of The City of New York (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 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 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 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 2020 Bonds are special, limited revenue obligations of the Issuer payable solely out of certain funds pledged therefor. Nothing in the Series 2020 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 2020 Bonds or the satisfaction of any other obligation of the Issuer under the Series 2020 Bonds

or the Indenture. Neither the Issuer nor its members, directors, officers, agents, servants or employees, nor any person executing the Series 2020 Bonds, shall be liable personally with respect to the Series 2020 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, servants or agents has been included herein.

Neither the State of New York nor any political subdivision of the State including, without limitation, The City of New York, is or shall be obligated to pay the principal, Redemption Price or Purchase Price of, or interest on, the Series 2020 Bonds, and neither the faith and credit nor the taxing power of the State of New York or The City of New York 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 solely for those statements under the sections captioned “THE ISSUER” and “ABSENCE OF 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 2020 Bonds, the Issuer has not otherwise assisted in the offer, sale or distribution of the Series 2020 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 2020 Bonds. The College has agreed to indemnify the Issuer against certain liabilities relating to this Limited Offering Memorandum.

THE COLLEGE

The College is a private, nonprofit, independent co-educational undergraduate college chartered by the Legislature of the State of New York and the Board of Regents of the University of the State of New York and is located in Brooklyn, New York. Further information regarding the College is set forth in “APPENDIX A – ST. FRANCIS COLLEGE.” The College’s financial statements for the two fiscal years ending June 30, 2019 and June 30, 2018 are included as “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF ST. FRANCIS COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (INCLUDING JUNE 30, 2018 COMPARATIVE INFORMATION)” to this Limited Offering Memorandum.

The College has provided the information in “APPENDIX A – ST. FRANCIS COLLEGE” and “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF ST. FRANCIS COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (INCLUDING JUNE 30, 2018 COMPARATIVE INFORMATION)” attached hereto for use herein. While such information is believed to be reliable, none of the Issuer, the Underwriter or any of their respective counsel (including Bond Counsel), members, directors, officers, agents, servants or employees makes any representation as to the accuracy, sufficiency or completeness of such information.

PLAN OF FINANCE

The proceeds of the Series 2020A Bonds will be used to (i) refund all of the DASNY 2014 Bonds, (ii) finance and refinance the New Money Bond Financed Property (as defined in the Indenture) including classroom furniture, energy efficient upgrades and information technology and related items of personal property, (iii) fund a deposit to the Debt Service Reserve Fund (Series 2020A) and (iv) pay a portion of the costs of issuance of the Series 2020A Bonds (collectively, the “Series 2020A Project”). The proceeds of the Series 2020B Bonds will be used to (i) refund and defease all of the DASNY 2010 Bonds, (ii) fund a deposit to the Debt Service Reserve Fund (Series 2020B/C) and (iii) pay a portion of the costs of issuance

of the Series 2020B Bonds (collectively, the “Series 2020B Project” and collectively with the Series 2020A Project, the “Project”).

The DASNY 2014 Bonds will be redeemed on the date of issuance of the Series 2020 Bonds. The DASNY 2010 Bonds are being refunded and defeased pursuant to their terms. A portion of the proceeds of the Series 2020B Bonds, together with funds held by the trustee for the DASNY 2010 Bonds, will be deposited and invested in certain obligations of, or guaranteed by, the United States of America, the maturing principal of which and interest thereon, together with the uninvested cash, shall be used to pay the redemption price of the DASNY 2010 Bonds, plus accrued interest thereon, upon their optional redemption on October 1, 2020.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Series 2020A Bonds and the Series 2020B Bonds are expected be applied as follows:

	<u>Series 2020A Bonds</u>	<u>Series 2020B Bonds</u>
SOURCES OF FUNDS		
Bond Par Amount	\$17,540,000	\$24,515,000
Less: Original Issue Discount	(208,200)	(289,032)
Other Available Funds	<u>12,364</u>	<u>466,112</u>
TOTAL SOURCES	\$17,344,165	\$24,692,081
USES OF FUNDS		
New Money Bond Financed Property	\$3,755,969	-
Defeasance of DASNY 2010 Bonds	-	\$22,736,857
Redemption of DASNY 2014 Bonds	11,785,397	-
Deposit to Debt Service Reserve Fund (Series 2020A)	974,307	-
Deposit to Debt Service Reserve Fund (Series 2020B/C)	-	1,361,752
Capitalized Interest on the Series 2020A Bonds	385,078	-
Costs of Issuance ⁽¹⁾	<u>443,415</u>	<u>593,472</u>
TOTAL USES	\$17,344,165	\$24,692,081

Totals may not add due to rounding.

⁽¹⁾ Includes Underwriter’s discount, legal fees, Issuer fees and expenses, Trustee fees and other fees and expenses.

THE SERIES 2020C BONDS

The College anticipates that on or about July 16, 2020, the Issuer will issue, upon the request of the College, the Series 2020C Bonds under the Indenture. The Indenture provides that the Issuer, at the direction of the College, has the right to convert and exchange the Series 2020B Bonds for the Series 2020C Bonds (the “Series 2020C Bond Conversion Option”). See “THE SERIES 2020 BONDS – Series 2020C Bond Conversion Option.”

The principal amount of the Series 2020C Bonds will be equal to the principal amount of the Series 2020B Bonds Outstanding as of the Series 2020C Bond Issuance Date. The issuance of the Series 2020C Bonds will effect the redemption in whole of the Series 2020B Bonds Outstanding. See “THE SERIES

2020 BONDS – Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option.” The Series 2020C Bonds, if and when issued, will be equally and ratably secured under the Indenture with the Series 2020A Bonds and will be secured by the Series 2020B/C Obligation and by the Debt Service Reserve Fund (Series 2020B/C) funded by proceeds of the Series 2020B Bonds under the Indenture.

This Limited Offering Memorandum describes the Series 2020C Bonds if and when issued. References in this Limited Offering Memorandum to the Series 2020 Bonds under the following headings include the Series 2020C Bonds if and when issued, except as the context otherwise requires: “INTRODUCTION,” “THE ISSUER,” “THE COLLEGE,” “THE SERIES 2020 BONDS,” “BOOK-ENTRY ONLY SYSTEM,” “SECURITY FOR THE SERIES 2020 BONDS,” “RISK FACTORS,” “ABSENCE OF LITIGATION,” “LEGAL MATTERS,” “NO RATING,” “INDEPENDENT AUDITORS,” “CONTINUING DISCLOSURE” and “MISCELLANEOUS.” The Series 2020C Bonds are not offered by this Limited Offering Memorandum.

THE SERIES 2020 BONDS

The information under this heading is subject in its entirety to the information set forth below under the heading “BOOK-ENTRY ONLY SYSTEM” while the Series 2020 Bonds are held in DTC’s book-entry only system.

General

The Series 2020 Bonds will be dated their date of delivery and will mature and bear interest as set forth on the inside front cover hereof. Interest on the Series 2020 Bonds will be payable on June 30 and December 31 (each an “Interest Payment Date”) of each year, with respect to the Series 2020A Bonds and the Series 2020B Bonds, commencing on June 30, 2020, and with respect to the Series 2020C Bonds if and when issued, commencing on the June 30 or December 31 next succeeding their date of issuance. Interest on the Series 2020 Bonds will be computed on the basis of a 360-day year of twelve 30-day months. The Series 2020 Bonds will be issuable only in fully registered form without coupons in minimum authorized denominations of (i) for any Series 2020 Bond beneficially owned by a client of Hamlin Capital Management, LLC, \$100,000 and any integral multiple of \$1,000 in excess thereof; (ii) for any Series 2020 Bond not in category (i), \$250,000 and any integral multiple of \$1,000 in excess thereof; or (iii) \$25,000 and any integral multiple thereof when the Series 2020 Bonds have received an investment grade rating from a rating agency (each an “Authorized Denomination”). See “BOOK-ENTRY ONLY SYSTEM” herein.

Each Series 2020 Bond will be transferable only upon compliance with the restrictions on transfer set forth on such Series 2020 Bond and in the Indenture, 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 2020 Bond together with a written instrument of transfer in the form appearing on such Series 2020 Bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon. Upon the transfer of any Series 2020 Bond, the Trustee will prepare and issue in the name of the transferee one or more new Series 2020 Bonds of the same Series, aggregate principal amount, maturity and interest rate as the surrendered Series 2020 Bond.

Any Series 2020 Bond, upon surrender thereof at the designated corporate trust office of the Trustee with a written instrument of transfer in the form appearing on such Series 2020 Bond, duly executed by the registered owner or his duly authorized attorney-in-fact, with a guaranty of the signature thereon, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Series 2020 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 Series 2020 Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) calendar days next preceding any day for the selection of Series 2020 Bonds to be redeemed, or (ii) transfer or exchange any Series 2020 Bonds selected, called or being called for redemption in whole or in part.

The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name any Series 2020 Bond is registered as the absolute owner of such Series 2020 Bond, whether such Series 2020 Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, and interest on such Series 2020 Bond and for all other purposes, and all payments made to any such registered owner or upon his order will be valid and effectual to satisfy and discharge the liability upon such Series 2020 Bond to the extent of the sum or sums so paid, and none of the Issuer, the College, the Bond Registrar, the Trustee or any Paying Agent will be affected by any notice to the contrary.

Payment of Principal and Interest

The principal, Purchase Price or Redemption Price of all Series 2020 Bonds will be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier purchase or redemption to the Persons in whose names such Series 2020 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 Series 2020 Bonds either at final maturity or upon redemption in whole will only be payable upon presentation and surrender of such Series 2020 Bonds at the designated corporate trust office of the Trustee or of U.S. Bank National Association in New York, New York, as paying agent (the “Paying Agent”).

The interest payable on each Series 2020 Bond on any Interest Payment Date will be paid by the Trustee to the registered owner of such Series 2020 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 Series 2020 Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Series 2020 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 Series 2020 Bond that is due and payable but not paid on the date due (“Defaulted Interest”) will cease to be payable to the owner of such Series 2020 Bond on the relevant Record Date and will be payable to the owner in whose name such Series 2020 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 will be fixed as provided in the Indenture.

Redemption Provisions

Optional Redemption of Series 2020A Bonds

The Series 2020A Bonds are subject to redemption, on or after December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) at the option of the Issuer (which option will be exercised only upon the giving of notice by the College of its intention to prepay loan payments due under the Loan Agreement), at the Redemption Prices

(expressed as percentages of unpaid principal amount of the Series 2020A Bonds to be redeemed) set forth below, plus accrued interest to the redemption date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

Optional Redemption of Series 2020B Bonds

The Series 2020B Bonds are subject to redemption, on or after December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) at the option of the Issuer (which option will be exercised only upon the giving of notice by the College of its intention to prepay loan payments due under the Loan Agreement), at the Redemption Prices (expressed as percentages of unpaid principal amount of the Series 2020B Bonds to be redeemed) set forth below, plus accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

Optional Redemption of Series 2020C Bonds

The Series 2020C Bonds (if and when issued) are subject to redemption, on or after December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) at the option of the Issuer (which option will be exercised only upon the giving of notice by the College of its intention to prepay loan payments due under the Loan Agreement), at the Redemption Prices (expressed as percentages of unpaid principal amount of the Series 2020C Bonds to be redeemed) set forth below, plus accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

Extraordinary Redemption

The Series 2020 Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the College (which option will be exercised only upon the giving of notice by the College 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 redemption date, if one or more of the following events have occurred:

(i) The Facility has been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer, the Bondholder Representative 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 College 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 has been taken or condemned by a competent authority which taking or condemnation results, or is likely to result, in the College 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, the Bondholder Representative 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 College, 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 College by reason of the operation of the Facility.

Mandatory Redemption from Excess Proceeds and Certain Other Amounts

The Series 2020A 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 2020A Bond proceeds remain after the completion of the Project Work and the defeasance of the DASNY 2014 Bonds, (ii) excess title insurance or property insurance proceeds or condemnation awards remain after the application thereof pursuant to the Master Trust Indenture, the Loan Agreement and the Indenture, (iii) excess proceeds remain after the release or substitution of Facility Realty or Facility Personalty, or (iv) certain funds received by the College pursuant to any capital campaign which are earmarked for specific Project Costs remain with the College and are not required for completion of the Project Work or related Project Costs, in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2020A Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

The Series 2020B 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 2020B Bond proceeds remain after the defeasance of the DASNY 2010 Bonds, (ii) excess title insurance or property insurance proceeds or condemnation awards remain after the application thereof pursuant to the Master Trust Indenture, the Loan Agreement and the Indenture, or (iii) excess proceeds 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 Series 2020B Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

Mandatory Redemption upon Occurrence of Certain Other Events

The Series 2020 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 determines that (w) the College 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 College, any Principal of the College or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the College 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 College fails 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 College fails to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the College of written notice of such default or failure from the Issuer and a demand by the Issuer on the College to cure the same. Any such redemption will be made upon notice or waiver of notice to the Bondholder Representative and the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2020 Bonds, together with interest accrued thereon to the redemption date.

Mandatory Redemption Upon the Sale of All or Substantially All of the Facility

The Series 2020 Bonds are subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event that the College no longer owns all or substantially all of the Facility by reason of the sale or other disposition of the Facility, within sixty (60) days following such sale or other disposition, at a Redemption Price equal to one hundred percent of the principal amount thereof, together with accrued interest to the redemption date.

Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option

(i) The Series 2020B Bonds are subject to mandatory redemption in part in the principal amount of \$300,000 on the Business Day immediately preceding the Series 2020C Bond Conversion Date, at a Redemption Price equal to one hundred percent of the above-stated principal amount of the Series 2020B Taxable Bonds, together with accrued interest to the date of redemption.

(ii) The Series 2020B Bonds are subject to mandatory redemption in whole upon the issuance of the Series 2020C Bonds on July 16, 2020 (or such later Business Day to which the Bondholder Representative consents in writing) (the "Series 2020C Bond Conversion Date") and the payment of the accrued interest on the Series 2020B Bonds on the Redemption Date for the Series 2020B Bonds. Upon the issuance of the Series 2020C Bonds on the Series 2020C Bond Conversion Date, and the payment of the accrued interest on the Series 2020B Bonds through but not including the Redemption Date, the payment of the Redemption Price of the Series 2020B Bonds shall be deemed made in full, the Series 2020B Bonds shall no longer be deemed Outstanding, and the Holders of the Series 2020B Bonds shall surrender the same to the Trustee for cancellation.

Mandatory Taxability Redemption

Upon the occurrence of a Determination of Taxability, the Series 2020 Bonds shall be redeemed prior to maturity on any date within sixty (60) days after written notice directing such redemption is delivered by the Bondholder Representative to the Issuer, the Trustee and the College 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 at the Taxable Rate from the occurrence of the Event of Taxability to the Redemption Date. The Series 2020 Bonds shall be redeemed in whole unless redemption of a portion of the Tax-Exempt Bonds Outstanding would have the result that interest payable on the Tax-Exempt Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Tax-Exempt Bond. In such event, only the Tax-Exempt Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

Purchase in Lieu of Redemption

In lieu of calling the Series 2020 Bonds for redemption, the Series 2020 Bonds will be subject to purchase at the direction of the Issuer, upon the direction of the College, in whole or in part (and, if in part, in such manner as determined by the College) on any date, at a purchase price to then be negotiated between the College and the Bondholder Representative (or, if no Bondholder Representative is then in effect, with the Holder(s) of the Series 2020 Bonds to be purchased), plus accrued interest to the purchase date. Purchases of Series 2020 Bonds as provided above may be made without regard to any provision of the Indenture relating to the selection of Series 2020 Bonds in a partial redemption. The Series 2020 Bonds so purchased shall be surrendered by the College to the Trustee for cancellation.

General Redemption Provisions

When redemption of any Series 2020 Bonds is requested or required pursuant to the Indenture, the Trustee will give notice of such redemption in the name of the Issuer, specifying the name of the related Series, CUSIP number, Series 2020 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 Series 2020 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 Series 2020 Bonds or portions thereof to be payable and, if less than all of the Series 2020 Bonds are to be redeemed, the numbers of such Series 2020 Bonds or portions thereof to be so redeemed. Such notice will further state that on such date there will become due and payable upon each Series 2020 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 will 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) will mail a copy of such notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days (or such shorter period as the Bondholder Representative may elect) prior to the Redemption Date (except that any redemption described in clause (i) or clause (ii) under “Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option” shall be not less than twenty (20) days before the Redemption Date), to the Bondholder Representative and the registered owners of any Series 2020 Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice will not affect the validity of the proceedings for the redemption of the Series 2020 Bonds with respect to which proper mailing was effected; and (ii) cause notice of such redemption to be sent to the national information service that disseminates redemption notices. Any notice mailed as provided in the Indenture will 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 will give notice by other appropriate means selected by the Trustee in its discretion. If any Series 2020 Bond is not presented for payment of the Redemption Price within sixty (60) days of the Redemption Date, the Trustee will 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 2020 Bonds for payments on or after any Redemption Date will be retained by the Trustee for a period of at least one year after the final maturity date of such Series 2020 Bonds. Further, if any Holders of Series 2020 Bonds constitute registered depositories, the notice of redemption described in the first sentence of this paragraph will be mailed to such Holders at least two (2) days prior to the mailing of such notice to all Holders.

If notice of redemption has been given as aforesaid, the Series 2020 Bonds called for redemption will become due and payable on the Redemption Date, provided, however, that with respect to any optional redemption of the Series 2020 Bonds, such notice shall state that such redemption will 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 2020 Bonds to be redeemed, and that

if such moneys have not been so received said notice will be of no force and effect and the Issuer will not be required to redeem the Series 2020 Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Trustee will 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 is unconditional, or if the conditions of a conditional notice of optional redemption have been satisfied, then upon presentation and surrender of the Series 2020 Bonds so called for redemption at the place or places of payment, such Series 2020 Bonds will be redeemed.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2020 BONDS, ALL PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF, PURCHASE PRICE, AND INTEREST ON THE SERIES 2020 BONDS WILL BE MADE DIRECTLY TO DTC. DISBURSEMENT OF SUCH PAYMENTS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) WILL BE THE RESPONSIBILITY OF DTC, AND DISBURSEMENT OF SUCH PAYMENTS TO BENEFICIAL OWNERS (AS HEREINAFTER DEFINED) WILL BE THE RESPONSIBILITY OF THE DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS (AS HEREINAFTER DEFINED). SEE "BOOK-ENTRY ONLY SYSTEM" HEREIN.

Series 2020C Bond Conversion Option

Subject to the conditions precedent set forth below, the Issuer, at the direction of the College, shall have the right to exercise the Series 2020C Bond Conversion Option by (i) no later than June 24, 2020, notifying the Trustee, the Underwriter and the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners) in writing of the Series 2020C Bond Conversion Date, which Series 2020C Bond Conversion Date shall be (y) the Redemption Date for the redemption of the Series 2020B Bonds Outstanding as of the Series 2020C Bond Conversion Date as described in clause (ii) under "Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option" (assuming that the redemption described in clause (i) under "Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option" shall have been effected so as to reduce the Outstanding principal amount of the Series 2020B Bonds by \$300,000 as of the Business Day immediately preceding such Redemption Date), and (z) the Series 2020C Bond Issuance Date, and directing the Trustee (with a copy to the Issuer, the Underwriter and the Bondholder Representative) to deliver the notice of redemption for the redemption of the Series 2020B Bonds Outstanding on the Series 2020C Bond Conversion Date (assuming that the redemption described in clause (i) under "Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option" shall be effected on the Business Day immediately preceding the Series 2020C Bond Conversion Date) as described in clause (ii) under "Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option" at least twenty (20) days before the Series 2020C Bond Conversion Date, (ii) directing the Trustee (with a copy to the Issuer, the Underwriter and the Bondholder Representative) to deliver the notice of redemption for the redemption of \$300,000 principal amount of the Series 2020B Bonds on the Business Day immediately preceding the Series 2020C Bond Conversion Date as described in clause (i) under "Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option" at least twenty (20) days before such Business Day immediately preceding the Series 2020C Bond Conversion Date, (iii) designating the requested applicable Series 2020C Bond Rate Index and so notifying the Trustee, the Underwriter and the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners) in writing of such Index no less than four (4) Business Days prior to the Series 2020C Bond Conversion Date, (iv) the College paying on behalf of the Issuer to the Trustee an amount equal to the accrued interest on the Series 2020B Bonds Outstanding (after giving effect to the redemption of \$300,000 in principal amount of the Series 2020B

Bonds as described in clause (i) under “Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option” due on the redemption of the Series 2020B Bonds as described in clause (ii) under “Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option” through but not including the Redemption Date, such amount to be paid by the Trustee on the Redemption Date for the Series 2020B Bonds Outstanding on the Series 2020C Bond Conversion Date to the Series 2020B Bond Owners, (v) the College causing the redemption of \$300,000 in principal amount of the Series 2020B Bonds as provided in clause (ii) above, and (vi) causing the Series 2020C Bonds to be authenticated by the Trustee in accordance with the Indenture and executed, issued and delivered to the Series 2020C Bond Initial Beneficial Owners not later than 10:00 a.m., New York City time, on the Series 2020C Bond Conversion Date in exchange for the surrender by the Series 2020B Bond Owners of the Series 2020B Bonds Outstanding on the Series 2020C Bond Conversion Date to the Trustee (in accordance with the respective Exchange Notices in substantially the forms as set forth in the Indenture) for cancellation upon their redemption as described in clause (ii) under “Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option” and the payment to the Series 2020B Bond Owners of the accrued interest as provided in clause (iv) above.

At least six (6) days prior to the Series 2020C Bond Conversion Date, the Trustee shall send to the Securities Depository the First Exchange Notice in substantially the form set forth in the Indenture, with the only information not included therein being the interest rate applicable to the Series 2020C Bonds. On the Series 2020C Bond Conversion Date, (i) in consideration for the issuance of the Series 2020C Bonds, the Series 2020B Bonds Outstanding on the Series 2020C Bond Conversion Date will be redeemed in whole as described in clause (ii) under “Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option,” and the Series 2020B Bond Owners shall simultaneously deliver the Series 2020B Bonds Outstanding to the Trustee for cancellation against payment by the Trustee to the Series 2020B Bond Owners of accrued interest on the Series 2020B Bonds and delivery of the Series 2020C Bonds to the Series 2020C Bond Initial Beneficial Owners, (iii) the Trustee shall authenticate and deliver the Series 2020C Bonds to the Series 2020C Bond Initial Beneficial Owners, and (iv) the Bondholder Representative shall execute and deliver its certificate to the Issuer and the Trustee in substantially the form as set forth in the Indenture. The issuance of the Series 2020C Bonds to the Series 2020C Bond Initial Beneficial Owners, and the payment of the accrued interest on the Series 2020B Bonds to the Series 2020B Bond Owners, shall be deemed full payment of the Redemption Price of the Series 2020B Bonds as described in clause (ii) under “Redemption Provisions – Mandatory Redemption of the Series 2020B Bonds Outstanding Upon the Exercise of the Series 2020C Bond Conversion Option,” and the concurrent surrender by the Series 2020B Bond Owners of the Series 2020B Bonds Outstanding on the Series 2020C Bond Conversion Date to the Trustee for cancellation in exchange for the issuance of the Series 2020C Bonds shall be deemed full consideration for the issuance of the Series 2020C Bonds. The College may terminate the Series 2020C Bond Conversion Option by so notifying in writing the Issuer, the Underwriter, the Trustee, the Master Trustee and the Bondholder Representative (on behalf of the Series 2020B Bond Owners).

As set forth in the Indenture, the Issuer (acting at the direction of the College) will provide the requisite notice to the Trustee, the Underwriter and the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners), which notice shall indicate which Series 2020C Bond Rate Index is requested to be applicable to the interest rate to be borne by the Series 2020C Bonds. The Series 2020C Bonds shall bear interest at the five (5) year applicable Series 2020C Bond Rate Index plus 300 basis points but not less than five percent (5%). No later than three (3) Business Days before the Series 2020C Bond Conversion Date, the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners) shall notify the Issuer, the Trustee, the College and the Underwriter of its selection of the applicable Series 2020C Bond Rate Index (which may or may not be the Index so requested) to be utilized

in determining the interest rate on the Series 2020C Bonds. If the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners) fails to so designate a Series 2020C Bond Rate Index by the Business Day prior to the Series 2020C Bond Conversion Date, then the Index so requested by the Issuer (as directed by the College) will apply in the interest rate calculation, and the interest rate so determined will be the applicable interest rate on the Series 2020C Bonds. Upon the determination of the interest rate applicable to the Series 2020C Bonds, the Trustee shall send the Final Notice of Exchange to the Securities Depository in substantially the form attached to the Indenture.

It shall be a condition to the exercise of the Series 2020C Bond Conversion Option that there shall not be any change in any law, rule or regulation (or the interpretation or administration thereof), known to the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners), the Issuer, Bond Counsel to the Issuer or the College, that prevents the consummation of the performance of the Series 2020C Bond Conversion Option or the sale or issuance of the Series 2020C Bonds.

Purchase of the Series 2020 Bonds on the Series 2020 Bond Purchase Date

The Series 2020 Bonds are subject to mandatory purchase by the College on December 31, 2024 (the “Series 2020 Bond Purchase Date”) if, the College fails to request in writing by September 1, 2023 that the Bondholder Representative (or, if no Bondholder Representative is then in effect, the Majority Holders) waive the mandatory purchase of the Series 2020 Bond Purchase Date, or makes such timely request but the Bondholder Representative (or, if no Bondholder Representative is in effect, the Majority Holders) does not deliver a written waiver of such mandatory purchase to the Issuer, the College and the Trustee by December 31, 2023, then, the Series 2020 Bonds will be purchased in whole on the Series 2020 Bond Purchase Date at the Purchase Price. Upon the payment by the College of the Purchase Price, the Series 2020 Bonds will be surrendered by the College to the Trustee for cancellation. If, however, such timely waiver for purchase is received by the Issuer, the College and the Trustee, the Series 2020 Bonds will continue to be Outstanding until paid at maturity or earlier redemption.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”) will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds will be issued as fully registered bonds 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 certificate will be issued for each maturity of each Series of the Series 2020 Bonds and will be deposited with DTC.

DTC 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 issues, 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”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2020 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2020 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 2020 Bonds 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 Series 2020 Bonds, except in the event that use of the book-entry system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2020 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 Series 2020 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 2020 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2020 Bonds 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 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2020 Bonds, such as redemptions, defaults and proposed amendments to bond documents. For example, Beneficial Owners of Series 2020 Bonds may wish to ascertain that the nominee holding the Series 2020 Bonds 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 Trustee and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2020 Bonds within a Series and maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such Series and maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee 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 2020 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest, Redemption Price and Purchase Price on the Series 2020 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 Trustee on a 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, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, Redemption Price and Purchase Price to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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.

DTC may discontinue providing its services as depository with respect to the Series 2020 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, 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, bond certificates will be printed and delivered to DTC.

THE INFORMATION UNDER THIS HEADING HAS BEEN OBTAINED FROM SOURCES BELIEVED TO BE RELIABLE. HOWEVER, NO REPRESENTATION IS MADE BY THE ISSUER, THE TRUSTEE, THE COLLEGE OR THE UNDERWRITER AS TO THE ACCURACY OR ADEQUACY OF THE INFORMATION SET FORTH ABOVE UNDER THIS HEADING OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

Prior to any discontinuation of the book-entry only system described above, the Trustee and the Issuer may treat DTC or its nominee, Cede & Co., as, and deem DTC or its nominee, Cede & Co., to be, the absolute owner of the Series 2020 Bonds for all purposes whatsoever, including, without limitation, (i) the payment of principal of, Purchase Price and Redemption Price of, and interest on the Series 2020 Bonds, (ii) giving notices of redemption and other matters with respect to the Series 2020 Bonds, (iii) registering transfers with respect to the Series 2020 Bonds and (iv) the selection of Series 2020 Bonds for redemption.

NONE OF THE ISSUER, THE TRUSTEE, THE COLLEGE OR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATION WITH RESPECT TO (I) THE ACCURACY OF THE RECORDS OF DTC, ITS NOMINEE OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT WITH RESPECT TO ANY BENEFICIAL OWNERSHIP INTEREST IN ANY SERIES 2020 BOND, (II) THE DELIVERY TO ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN AN OWNER, AS SHOWN IN THE BOND REGISTER, OF ANY NOTICE WITH RESPECT TO ANY SERIES 2020 BOND, INCLUDING, WITHOUT LIMITATION, ANY NOTICE OF REDEMPTION OR ANY EVENT WHICH WOULD OR COULD GIVE RISE TO AN OPTION WITH RESPECT TO ANY SERIES 2020 BOND, (III) THE PAYMENT OF ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN AN OWNER, AS SHOWN IN THE BOND REGISTER, OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL, PURCHASE PRICE OR REDEMPTION PRICE OF, OR INTEREST ON, ANY SERIES 2020 BOND OR (IV) ANY CONSENT GIVEN BY DTC AS REGISTERED OWNER.

SECURITY FOR THE SERIES 2020 BONDS

General

Concurrently with the issuance of the Series 2020 Bonds, the Issuer will enter into the Loan Agreement with the College pursuant to which the Issuer will loan the proceeds from the sale of the Series 2020 Bonds to the College. The College will be unconditionally obligated under the Loan Agreement to make payments to the Trustee sufficient to pay the principal, Redemption Price and Purchase Price of, and interest on, the Series 2020 Bonds, as the same become due. See “APPENDIX C – FORM OF LOAN AGREEMENT.” The College’s payment obligations under the Loan Agreement with respect to the Series 2020 Bonds are absolute and unconditional general obligations of the College secured by the Series 2020 Obligations issued under the Master Trust Indenture. Payments under the Loan Agreement will be made by the College directly to the Trustee.

The Series 2020 Bonds are secured by the payments described above to be made under the Loan Agreement, the funds and accounts established under the Indenture, and payments to be made under the Series 2020 Obligations. Pursuant to the Indenture, the Issuer will assign to the Trustee all of its right, title and interest in and to the Loan Agreement (except for the Issuer’s Reserved Rights), including all amounts payable thereunder with respect to the principal, Redemption Price or Purchase Price of, and interest on, the Series 2020 Bonds.

Payment of the principal, Redemption Price or Purchase Price of, and interest on, the Series 2020 Bonds when due, and payment when due of the obligations of the College to the Issuer under the Loan Agreement, will be secured by payments made by the College pursuant to the Series 2020 Obligations. The Series 2020 Obligations will be issued to the Issuer and endorsed to the Trustee for the benefit of the Bondholders. Any payments made on the Series 2020 Obligations will also be made directly to the Trustee. See “SECURITY FOR THE SERIES 2020 BONDS – Obligations under the Master Trust Indenture” herein.

Additional Bonds

Under the provisions of and subject to the conditions set forth in the Indenture, including obtaining the consent of the Bondholder Representative (or, if no Bondholder Representative is in effect, the Majority Holders), the Issuer is authorized to enter into a Supplemental Indenture and issue one or more Series of Additional Bonds on a parity with the Series 2020 Bonds 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 must be for the Approved Project Operations, or (iv) refunding Outstanding Bonds. Such Additional Bonds must be payable from the loan payments, receipts and revenues of the Facility including such extensions, additions and improvements thereto.

Each Series of Additional Bonds issued pursuant to the Indenture will be equally and ratably secured under the Indenture with the Series 2020 Bonds and all other Series of Additional Bonds, if any, issued pursuant to the Indenture, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture. No Series of Additional Bonds may be issued unless the Loan Agreement and the other Security Documents and the Master Trust 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. See “APPENDIX D – FORM OF INDENTURE.”

Obligations under the Master Trust Indenture

General

Pursuant to the Master Trust Indenture, each Obligation issued thereunder, including the Series 2020 Obligations, will be a joint and several general obligation of the College and any future Member of the Obligated Group. At the time of issuance of the Series 2020 Obligations, the College will be the sole Member of the Obligated Group. The Master Trust Indenture includes a pledge of a security interest in the Revenues of each Member of the Obligated Group made to the Master Trustee to secure on a parity basis all Obligations theretofore and thereafter issued under the Master Trust Indenture. The Series 2020 Obligations are also secured by the Mortgage. Pursuant to the Master Trust Indenture, each Obligation issued thereunder will be secured by a mortgage on the Mortgaged Property on a parity with the lien of the Mortgage. The Series 2020 Obligations secured by the Mortgage will not remain outstanding upon the payment in full of the Series 2020 Bonds (including the Series 2020C Bonds if and when issued). In addition, the College will enter into a deposit account control agreement for all bank accounts of the College in favor of the Master Trustee.

As described in “APPENDIX E – FORM OF MASTER TRUST INDENTURE,” under certain circumstances the Members of the Obligated Group may create Liens on Property or incur Indebtedness. The Members may not create or permit to be created any Lien on Property other than Permitted Encumbrances. Among other Permitted Encumbrances, the Liens created by the Mortgage and any liens created by any mortgage granted in the future to secure any additional Obligation, and by the pledge of Revenues, are Permitted Encumbrances.

The Series 2020 Obligations will be equally and ratably secured with all other Obligations Outstanding under the Master Trust Indenture. The College expects to issue the PFA 2020 Obligation in connection with the PFA 2020 Bonds and, if so issued, the Series 2020 Obligations will be equally and ratably secured with the PFA 2020 Obligation. The PFA 2020 Obligation will be secured by a mortgage lien on the Mortgaged Property on a parity with the lien of the Mortgage.

THE MASTER TRUST INDENTURE PERMITS EACH MEMBER OF THE OBLIGATED GROUP TO ISSUE OR INCUR ADDITIONAL INDEBTEDNESS EVIDENCED BY OBLIGATIONS THAT WILL SHARE THE SECURITY FOR THE SERIES 2020 OBLIGATIONS EVIDENCED BY THE PLEDGE OF REVENUES AND THE MORTGAGE. SUCH ADDITIONAL OBLIGATIONS WILL NOT BE SECURED BY ANY OTHER MONEY OR INVESTMENTS IN ANY FUND OR ACCOUNT HELD BY THE TRUSTEE FOR THE SECURITY OF THE SERIES 2020 BONDS.

Security Interest in Revenues

As security for the Obligations of the Members of the Obligated Group under the Master Trust Indenture, each Member of the Obligated Group must pledge to the Master Trustee a security interest in its Revenues. “Revenues” means, for any period, revenues, gains and other support from education and general operations and auxiliary enterprises calculated in accordance with the financial statements of the Obligated Group; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member and noncash gains or changes in the valuation of Interest Rate Agreements; provided, however, that the foregoing provisions notwithstanding, no amount shall be added to Revenues more than once and provided further that “Revenues” shall exclude Restricted Moneys. In addition, Revenues means all moneys, tuition, fees, rates, receipts, rentals, charges, issues and income received for, received by or derived from or on behalf of any Obligated Group Member, the operation of any Obligated Group Member or any other source whatsoever, including without limitation

gifts, bequests, grants, devises, contributions, moneys received from the operation of the business of any Obligated Group Member or the possession of its properties, indirect cost recovery payments under research grant agreements, insurance proceeds or condemnation awards, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of the same whether now owned or held or hereafter coming into being, but excluding (i) gifts, grants, devises, bequests and contributions designated by the maker to a specific purpose inconsistent with their use for the payment of principal of, premium, if any, and interest on any Obligation or for the payment of operating expenses, (ii) any unrealized gains and losses on investments of any Obligated Group Member, and (iii) any income for which any Obligated Group Member has a contractual or statutory obligation to pay to other Persons (for example, without limitation, amounts collected by any Obligated Group Member in its capacity as agent for others, and sales taxes, use taxes and other taxes collected by any Obligated Group Member but required to be paid to the relevant collection authorities); (iv) all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law, cannot be granted, assigned or pledged under the Master Trust Indenture or which would become void or voidable if granted, assigned or pledged under the Master Trust Indenture by the Obligated Group Members, or which cannot be granted, pledged or assigned under the Master Trust Indenture without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions of the Master Trust Indenture, or which otherwise may not be, or are not, lawfully and effectively granted by the Master Trust Indenture, pledged and assigned by the Obligated Group Members and (v) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent. See “RISK FACTORS – Enforceability of Lien on Revenues” herein. See also “APPENDIX E – FORM OF MASTER TRUST INDENTURE.”

The Master Trustee’s security interest in the Revenues described above will be perfected, to the extent that such security interest may be so perfected, by the filing of financing statements which comply with the requirements of the UCC. Each Member of the Obligated Group will cause to be filed, in accordance with the requirements of the UCC, financing statements; and, from time to time thereafter, will deliver such other documents (including, but not limited to, continuation statements as required by the UCC) as may be necessary or reasonably requested by the Master Trustee in order to perfect or maintain the perfection of such security interests or give public notice thereof. See “RISK FACTORS – Enforceability of Lien on Revenues” herein.

The Mortgage

Upon the issuance of the Series 2020 Obligations, the College, as mortgagor, will execute and deliver the Master Mortgage and Security Agreement (Acquisition Loan) and the Master Mortgage and Security Agreement (Indirect Loan), each dated as of June 1, 2020 (collectively, the “Mortgage”), with respect to the Mortgaged Property (as defined therein) to the Issuer and the Master Trustee. In connection therewith, the College will also execute and deliver the Master Assignment of Leases and Rents (Acquisition Loan) and the Master Assignment of Leases and Rents (Indirect Loan) (collectively, the “Assignment of Leases and Rents”) with respect to the Mortgaged Property to the Issuer and the Master Trustee. The Issuer will assign its rights under the Mortgage and the Assignment of Leases and Rents to the Master Trustee. The Mortgaged Property subject to the Mortgage and the Assignment of Leases and Rents consists of the College’s facility located at 180 Remsen Street, Brooklyn, New York. The Mortgage and the Assignment of Leases and Rents will secure only the Series 2020 Obligations and will not secure any other Obligations issued under the Master Trust Indenture. Pursuant to the Master Trust Indenture, each Obligation issued thereunder will be secured by a mortgage on the Mortgaged Property on a parity with the lien of the Mortgage.

Weitzman Associates, LLC (the “Appraiser”) in its report dated July 26, 2019 (the “Appraisal”) with the valuation date of July 18, 2019, set the market value of the fee simple interest in the real property, prior to any demolition costs, on an “as is” basis, as of July 18, 2019. The Appraiser indicated that the Appraisal was intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standard of Professional Appraisal Practice of the Appraisal Institute and applicable state appraisal regulations. The Appraisal indicated that the valuation analysis in the Appraisal was subject to the definitions, assumptions and limiting conditions expressed in the Appraisal. According to the Appraisal, the aggregate market value of the fee simple interest in the Mortgaged Property was \$198,000,000. All references to the Appraisal herein are qualified in their entirety by reference to the Appraisal, a copy of which is available for review and will be provided upon written request to the Master Trustee and should be read in its entirety. No attempt has been made to summarize the Appraisal. None of the Issuer, the College or the Underwriter makes any representation or warranty as to the correctness of the Appraisal or the conditions or conclusions set forth therein. See “RISK FACTORS – Realization of Value on Mortgaged Property.”

Particular Covenants

The Members of the Obligated Group are subject to covenants under the Master Trust Indenture relating to maintenance of a specified level of Days Cash on Hand and restricting, among other things, incurrence of Indebtedness, existence of Liens on Property, consolidation and merger, disposition of assets, addition of Members to the Obligated Group and withdrawal of Members from the Obligated Group. See “APPENDIX E – FORM OF MASTER TRUST INDENTURE” hereto.

Covenants Related to Other Indebtedness

The Members of the Obligated Group may issue additional Obligations under the Master Trust Indenture that are secured on a parity with the Series 2020 Obligations by the pledge of Revenues. See “APPENDIX E – FORM OF MASTER TRUST INDENTURE” for a description of the conditions under which the Members of the Obligated Group may issue additional Obligations under the Master Trust Indenture. On or about the date of issuance of the Series 2020A Bonds and the Series 2020B Bonds, the College expects to issue the PFA 2020 Obligation in connection with the PFA 2020 Bonds.

Under certain conditions set forth in the Master Trust Indenture, in addition to incurring indebtedness represented by an Obligation, the Members of the Obligated Group may incur debt in the form of indebtedness incurred by the Members of the Obligated Group individually that is not evidenced or secured by an Obligation issued under the Master Trust Indenture. Such borrowing may be secured by liens on Property permitted under the Master Trust Indenture. See “APPENDIX E – FORM OF MASTER TRUST INDENTURE” for a description of various financial covenants applicable to the College and any other Members of the Obligated Group.

The College has certain pre-existing Indebtedness outstanding. See “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF ST. FRANCIS COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (INCLUDING JUNE 30, 2018 COMPARATIVE INFORMATION).”

Debt Service Reserve Funds

The Indenture establishes the Debt Service Reserve Fund (Series 2020A) (the “Series 2020A Debt Service Reserve Fund”) for the benefit of the Series 2020A Bonds and the Debt Service Reserve Fund (Series 2020B/C) (the “Series 2020B/C Debt Service Reserve Fund” and, together with the Series 2020A Debt Service Reserve Fund, the “Debt Service Reserve Funds”) for the benefit of the Series 2020B Bonds (and the Series 2020C Bonds, if and when issued). There shall initially be deposited with the Trustee (i) in

the Series 2020A Debt Service Reserve Fund from the proceeds of the Series 2020A Bonds an amount equal to the Debt Service Reserve Fund Requirement (Series 2020A) and (ii) in the Series 2020B/C Debt Service Reserve Fund from the proceeds of the Series 2020B Bonds an amount equal to the Debt Service Reserve Fund Requirement (Series 2020B). The Debt Service Reserve Fund (Series 2020A) is exclusively for the benefit of the Holders of the Series 2020A Bonds and is not available to any Holder of any Taxable Bonds. The Debt Service Reserve Fund (Series 2020B/C) is for the benefit of any Holder of the Series 2020B Bonds, and when the Series 2020C Bonds are issued and the Series 2020B Bonds are no longer Outstanding, the Holder of any of the Series 2020C Bonds (and, if the Bondholder Representative consents in writing, the Holders of any of the Series 2020A Bonds).

If on any Interest Payment Date or Redemption Date on the Series 2020A Bonds, the amount in the Interest Account of the Bond Fund (Tax-Exempt) (after taking into account amounts available to be transferred to the Interest Account of the Bond Fund (Tax-Exempt) from the Project Fund) is less than the amount of interest then due and payable on the Series 2020A Bonds, or if on any principal payment date on the Series 2020A Bonds, the amount in the Principal Account of the Bond Fund (Tax-Exempt) is less than the amount of principal of the Series 2020A Bonds then due and payable, 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 College on account of such interest or principal, then, with the prior written consent of the Bondholder Representative, the Trustee will transfer moneys from the Debt Service Reserve Fund (Series 2020A) (and, if the Series 2020B Bonds are no longer Outstanding, and the Bondholder Representative consents in writing thereto, the Debt Service Reserve Fund (Series 2020B/C)), first, to such Interest Account, and second to such Principal Account, of the Bond Fund (Tax-Exempt), all to the extent necessary to make good any such deficiency.

If on any Interest Payment Date or Redemption Date on the Series 2020B Bonds, the amount in the Interest Account of the Bond Fund (Taxable) is less than the amount of interest then due and payable on the Series 2020B Bonds, or if on any principal payment date on the Series 2020B Bonds, the amount in the Principal Account of the Bond Fund (Taxable) is less than the amount of principal of the Series 2020B Bonds then due and payable, 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 College on account of such interest or principal, then, with the prior written consent of the Bondholder Representative, the Trustee will transfer moneys from the Debt Service Reserve Fund (Series 2020B/C), first, to such Interest Account, second to such Principal Account, of the Bond Fund (Taxable), all to the extent necessary to make good any such deficiency.

Upon receipt by the College of notice from the Trustee pursuant to the Indenture that the amount on deposit in the Debt Service Reserve Fund (Series 2020A) is less than the Debt Service Reserve Fund Requirement (Series 2020A), the College will pay to the Trustee for deposit in the Debt Service Reserve Fund (Series 2020A) on the first day of the month immediately following the receipt by the College of notice of such deficiency, and on the first day of each of the five (5) succeeding months, an amount equal to one sixth (1/6th) of such deficiency in the Debt Service Reserve Fund (Series 2020A); provided, further, that if any additional deficiency occurs prior to the restoration of the original deficiency, such additional deficiency will be restored in equal monthly installments over the remainder of the restoration period for the original deficiency.

Upon receipt by the College of notice from the Trustee pursuant to the Indenture that the amount on deposit in the Debt Service Reserve Fund (Series 2020B/C) is less than the Debt Service Reserve Fund Requirement (Series 2020B), the College will pay to the Trustee for deposit in the Debt Service Reserve Fund (Series 2020B/C) on the first day of the month immediately following the receipt by the College of notice of such deficiency, and on the first day of each of the five (5) succeeding months, an amount equal to one sixth (1/6th) of such deficiency in the Debt Service Reserve Fund (Series 2020 B/C); provided

further, that if any additional deficiency occurs prior to the restoration of the original deficiency, such additional deficiency will be restored in equal monthly installments over the remainder of the restoration period for the original deficiency.

Special Limited Obligations

THE SERIES 2020 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE, PURCHASE 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, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2020 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 2020 BONDS. THE SERIES 2020 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2020 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, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2020 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each 12-month period ending June 30 of the years shown, the amounts, rounded to the nearest dollar, required to be made available in such period for the payment of the principal of and interest on the Series 2020 Bonds and other long-term indebtedness of the College:

Ending June 30	Series 2020A Bonds		Series 2020B Bonds		Other Debt Service⁽¹⁾⁽²⁾	Total Debt Service
	Principal	Interest	Principal	Interest		
2020	-	\$19,489	-	\$28,601	\$58,533	\$106,623
2021	-	877,000	-	1,287,038	1,755,975	3,920,013
2022	-	877,000	-	1,287,038	1,755,975	3,920,013
2023	-	877,000	-	1,287,038	1,755,975	3,920,013
2024	-	877,000	-	1,287,038	1,755,975	3,920,013
2025	-	877,000	-	1,287,038	34,622,988	36,787,026
2026	\$17,540,000	438,500	\$24,515,000	643,519	-	43,137,019
TOTAL	\$17,540,000	\$4,842,989	\$24,515,000	\$7,107,307	\$41,705,420	\$95,710,719

Totals may not add due to rounding.

(1) Excludes debt service on the DASNY 2010 Bonds and the DASNY 2014 Bonds.

(2) Includes debt service on the PFA 2020 Bonds. The PFA 2020 Bonds debt service reflects the maximum amount outstanding under the draw down bond structure of \$33,745,000 based on the applicable interest rate floors. The College intends to draw \$13,725,000 upon closing of the PFA 2020 Bonds.

RISK FACTORS

The following is a discussion of certain risks that could affect payments to be made with respect to the Series 2020 Bonds. Such discussion is not and is not intended to be exhaustive, should be read in conjunction with all other parts of this Limited Offering Memorandum and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2020 Bonds should analyze carefully the information contained in this Limited Offering Memorandum, including the Appendices hereto.

Nature of Special, Limited Obligations

THE SERIES 2020 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE, PURCHASE 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, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2020 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 2020 BONDS. THE SERIES 2020 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2020 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, REDEMPTION PRICE OR PURCHASE PRICE OF, OR INTEREST ON, THE SERIES 2020 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

General

The Series 2020 Bonds are payable from payments to be made by the College under the Loan Agreement. The ability of the College to meet its payment obligations under the Loan Agreement depends primarily upon the ability of the College to continue to attract sufficient tuition-paying students to its educational programs, to obtain sufficient revenues from related activities and to maintain sufficient creditworthiness. The College expects that revenues derived from its ongoing operations, together with other available resources, will at all times be sufficient to make the required payments under the Loan Agreement and the College will covenant under the Loan Agreement to make all such payments when due. There are certain risks, however, which might prevent the College from obtaining sufficient revenues from tuition and other sources to meet all of its obligations, including its obligations under the Loan Agreement. Purchasers of the Series 2020 Bonds should bear in mind that the occurrence of any number of events could adversely affect the ability of the College to generate such revenues. Future economic, demographic and other conditions, including the demand for educational services, the ability of the College to provide the services required by students, economic developments in the country and competition from other educational institutions, together with changes in costs, may adversely affect revenues and expenses and, consequently, the ability of the College to provide for payments. The future financial condition of the College could also be adversely affected by, among other things, legislation and regulatory actions, and a number of other conditions which are unpredictable.

Uncertainty of College Revenues and Expenses

The ability of the College to realize revenues in amounts sufficient to meet its obligations relating to the Series 2020 Bonds is affected by and subject to conditions which may change in the future to an extent and with effects that cannot be determined at this time. No representation or assurance is given or can be made that revenues will be realized by the College in amounts sufficient to meet its obligations relating to the Series 2020 Bonds.

The College is subject to the same competitive pressures that affect other private colleges and universities. Changing demographics may mean a smaller pool of college-bound persons from which to draw entering classes. Greater competition for students together with rising tuition rates may mean that the College will need to increase its financial aid packages to attract and retain students or that it may face fewer students and decreased revenues. Attracting and keeping qualified faculty and administrators may mean higher expenditures for salaries and administrative costs.

The College competes for students generally with colleges and universities located elsewhere in New York State and throughout the United States, many of which receive significant support from state governments and therefore can afford to charge lower tuition than the College. New York State launched its new Excelsior Scholarship Program in the Fall of 2017, which provides free tuition for New York students who attend SUNY and CUNY schools provided that their families meet certain income requirements. See “APPENDIX A – ST. FRANCIS COLLEGE – Financial Statement Information – Management’s Discussion and Analysis – Revenue and Net Income Trends.”

In addition, other educational institutions may in the future expand their programs in competition with the programs offered by the College. Increased competition from other educational institutions (including the availability of online courses and programs) or a decrease in the student population interested in pursuing higher education could have a material adverse economic impact on the College.

Other factors that may also adversely affect the operations of the College, although the extent cannot be presently determined, include, among others: (1) changes in the demand for higher education in general or for programs offered by the College in particular; (2) a decrease in availability of student loan funds or other student financial aid; (3) reductions in funding support from donors or other external sources; (4) a decline in research funding, including research funding from the U.S. government; (5) risks relating to expansions or construction projects undertaken by the College, including risks relating to construction and operation; (6) an increase in the costs of health care benefits, retirement plan or other benefit packages offered by the College to its employees and retirees; (7) a significant decline in the College’s investments based on market or other external factors; (8) cost and availability of energy; (9) high interest rates, which could strain cash flow or prevent borrowing for needed capital expenditures; (10) an increase in the cost of outstanding variable rate debt or short-term borrowings the College periodically uses to fund operations; (11) risks associated with interest rate hedges, including obligations to post collateral or counterparty risk; (12) increased costs and decreased availability of public liability insurance; (13) litigation; (14) employee strikes and other labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs; (15) natural disasters, which might damage the College’s facilities, interrupt service to its facilities or otherwise impair the operation of the facilities; (16) claims presently unknown to the College; and (17) the ability of the College to receive third party approvals required for the execution of its future plans, which if not approved, could result in financial difficulties. None of the Underwriter, the Issuer or the College has made any independent investigation of the extent to which any such factors may have an adverse impact on the revenues of the College.

Enforceability of Lien on Revenues

The Series 2020 Bonds are secured in part by a security interest granted to the Master Trustee in the Revenues of the Members of the Obligated Group. See “SECURITY FOR THE SERIES 2020 BONDS.” The lien on Revenues may become subordinate to certain Permitted Encumbrances under the Master Trust Indenture. Revenues paid by the Members of the Obligated Group to other parties in the ordinary course might no longer be subject to the lien of the Master Trust Indenture and might therefore be unavailable to the Master Trustee. In addition, certain interests and claims of others may be on a parity with or prior to the pledge of Revenues made in the Master Trust Indenture, and certain statutes and other provisions may limit the Obligated Group Members’ right to make such pledges. Examples of such claims, interests and provisions are: (a) statutory liens and rights of set-off; (b) possible non-recognition under the New York Uniform Commercial Code (the “UCC”) of a security interest in future revenues; (c) rights arising in favor of the United States of America or any agency thereof on failure of a Member of the Obligated Group to comply with federal or state statutes regarding the assignment of certain claims; (d) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (e) state and federal bankruptcy or insolvency laws as they affect the enforceability of the security interest in Revenues earned by the Members of the Obligated Group within the statutory prescribed preference period preceding and at any time after any effectual institution of bankruptcy proceedings by or against the Members of the Obligated Group; (f) as to those items in which a security interest, lien or pledge can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Members of the Obligated Group or any depository; (g) the security interest of third party creditors in “proceeds” of property subject to a Permitted Encumbrance, which “proceeds” may be deemed to constitute Revenues; (h) items not in possession of the Trustee, the Master Trustee or any depository, the records to which are located or moved outside the State of New York, which are thereby not subject to or are removed from the operation of the State of New York’s laws; and (i) claims that might arise if appropriate continuation statements are not filed in accordance with the UCC as from time to time in effect. In addition, the pledge of Revenues may not be enforceable against third parties unless the Revenues are actually transferred to the Trustee, the Master Trustee or any depository.

In the event of bankruptcy of a Member of the Obligated Group, transfers of property by the bankrupt entity, including the payment of debt or the transfer of any collateral, including receivables and Revenues on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case in bankruptcy court, may be subject to avoidance or recoupment as preferential transfers. Under certain circumstances a court may have the power to direct the use of Revenues to meet expenses of the Members of the Obligated Group before paying debt service on the Series 2020 Bonds.

Pursuant to the New York Uniform Commercial Code, a security interest in the proceeds of Revenues may not continue to be perfected if such proceeds are not paid over to the Master Trustee by a Member of the Obligated Group under certain circumstances. If any required payment is not made when due, the Members of the Obligated Group must transfer or pay over immediately to the Master Trustee any Revenues with respect to which the security interest remains perfected pursuant to law. Any Revenues thereafter received will upon receipt by a Member of the Obligated Group be transferred to the Master Trustee without such Revenues being commingled with other funds, in the form received (with necessary endorsements) up to an amount equal to the amount of the missed payment. The value of the security interest in the Revenues could be diluted by the incurrence of additional Indebtedness secured equally and ratably with the Series 2020 Bonds as to the security interest in the Revenues or by the issuance of debt secured on a basis senior to the Series 2020 Bonds. See “SECURITY FOR THE SERIES 2020 BONDS.”

Enforceability of the Master Trust Indenture

Currently, the College is the sole Member of the Obligated Group, and the College has no current intention to add any Members to the Obligated Group. To the extent that there are future Members of the Obligated Group, the following may apply. Under New York law, a not-for-profit corporation may guarantee the debt of another corporation only if such guaranty is in furtherance of the corporate purposes of such guarantor not-for-profit corporation. In addition, it is possible that the security interest granted by a Member and the joint and several obligation of a Member to make payments due under an Obligation, including the Series 2020 Obligations, relating to bonds issued for the benefit of another Member, may be declared void in an action brought by a third-party creditor pursuant to the New York fraudulent conveyance statutes or may be avoided by a Member or a trustee in bankruptcy in the event of the bankruptcy of the Member from which payment is requested. An obligation may be voided under the federal Bankruptcy Code or under the New York fraudulent conveyance statute, if (a) the obligation was incurred without receipt by the obligor of “fair consideration” or “reasonably equivalent value,” and (b) the obligation renders the obligor “insolvent,” as such terms are defined under the applicable statute. Interpretation by the courts of the tests of “insolvency,” “reasonably equivalent value” and “fair consideration” has resulted in a conflicting body of case law. For example, a Member’s joint and several obligation under the Master Trust Indenture to make all payments thereunder, including payments in respect of funds used for the benefit of the other Members, may be held to be a “transfer” which makes such Member “insolvent” in the sense that the total amount due under the Master Trust Indenture could be considered as causing its liabilities to exceed its assets. Also, one of the Members may be deemed to have received less than “fair consideration” for such obligation because none or only a portion of the proceeds of the indebtedness are to be used to finance projects occupied or used by such Member. While the Members may benefit generally from the projects financed from the indebtedness for the other Members, the actual cash value of this benefit may be less than the joint and several obligation. The rights under the New York fraudulent conveyance statutes may be asserted for a period of up to six years from the incurring of the obligations or granting of security under the Master Trust Indenture.

In addition, the assets of any Member may be held by a court to be subject to a charitable trust which prohibits payments in respect of obligations incurred by or for the benefit of others if a Member has insufficient assets remaining to carry out its own charitable functions or, under certain circumstances, if the obligations paid by such Member were issued for purposes inconsistent with or beyond the scope of the charitable purposes for which the Member was organized. The enforceability of similar master trust indentures has been challenged in jurisdictions outside of the State. In the absence of clear legal precedent in this area, the extent to which the assets of any Member can be used to pay Obligations issued by or on behalf of others cannot be determined at this time.

In addition, there exists common law authority and authority under state statutes for the ability of the state courts to terminate the existence of a not-for-profit corporation or undertake supervision of its affairs on various grounds, including a finding that such 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 the state attorney general or such other persons who have interests different from those of the general public, pursuant to common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

An action to enforce a charitable trust and to see to the application of its funds could also arise if an action to enforce the obligation to make payments on an Obligation issued under the Master Trust Indenture for the benefit of another Member of the Obligated Group would result in the cessation or discontinuation of any material portion of the educational services or related services previously provided by the Member of the Obligated Group from which payment is requested.

Exercise of Remedies Under the Master Trust Indenture

“Events of Default” under the Master Trust Indenture include the failure of the College to make payments on any Obligation Outstanding under the Master Trust Indenture (such as the Series 2020 Obligations) and may include nonpayment related defaults under documents such as the Indenture. The Master Trust Indenture provides that upon an “Event of Default” thereunder, the Master Trustee may in its discretion, by notice in writing to the College, declare the principal of all (but not less than all) Obligations Outstanding thereunder to be due and payable immediately and may exercise other remedies thereunder. However, the Master Trustee is not required to declare amounts under the Master Trust Indenture to be due and payable immediately unless requested to do so by the holders of not less than 25% in aggregate principal amount of all Obligations then Outstanding under the Master Trust Indenture. Consequently, upon the occurrence of an “Event of Default” under the Indenture with respect to the Series 2020 Bonds and an acceleration of the maturity of the Series 2020 Bonds, the Master Trustee is not required to accelerate the maturity of all Obligations Outstanding under the Master Trust Indenture upon direction from the Trustee unless (i) the principal amount of the Series 2020 Bonds Outstanding is at least equal to 25% of the principal amount of all Obligations Outstanding under the Master Trust Indenture, or (ii) the Trustee and all other holders of Obligations requesting such acceleration hold at least 25% of all Obligations Outstanding under the Master Trust Indenture. When issued, the Series 2020 Obligations and the PFA 2020 Obligation will be the only Obligations Outstanding under the Master Trust Indenture but additional Obligations may be issued in the future.

Bankruptcy

The Series 2020 Bonds are payable from the sources and are secured as described in this Limited Offering Memorandum. The practical realization of value from the collateral for the Series 2020 Bonds described herein upon any default will depend upon the exercise of various remedies specified by the Indenture and the Master Trust Indenture. These and other remedies may, in many respects, require judicial actions which are often subject to discretion and delay.

Under existing law, the remedies specified by the Indenture and the Master Trust Indenture may not be readily available or may be limited. A court may decide not to order the performance of the covenants contained in those documents. The legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds will contain qualifications, including as to the enforceability of the various agreements and other instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies and by bankruptcy, reorganization or other laws affecting the enforcement of creditors’ rights generally.

The rights and remedies of the holders of the Series 2020 Bonds are subject to various provisions of Title 11 of the United States Code (the “Bankruptcy Code”). If the College were to file a petition for relief under the Bankruptcy Code, the filing would automatically stay the commencement or continuation of any judicial or other proceedings against the College and its property, including the commencement of foreclosure proceedings under the Mortgage. The College would not be permitted or required to make payments under the Loan Agreement and the Series 2020 Obligations, unless an order of the United States Bankruptcy Court were issued for such purpose. In addition, without an order of the United States Bankruptcy Court, the automatic stay may serve to prevent the Trustee from applying amounts on deposit in certain funds and accounts held under the Indenture including the transfer of amounts on deposit in the funds held thereunder, from being applied in accordance with the provisions of the Indenture, and the application of such amounts to the payment of principal of and interest on the Series 2020 Bonds. Moreover, any motion for an order canceling the automatic stay and permitting such funds and accounts to be applied in accordance with the provisions of the Indenture would be subject to the discretion of the United States Bankruptcy Court, and may be subject to objection and/or comment by other creditors of the

College, which could affect the likelihood or timing of obtaining such relief. The commencement of a bankruptcy case by or against the College may also extinguish the Master Trustee's security interest in the College's Revenues arising subsequent to the filing of the bankruptcy petition, adversely affect the ability of the Master Trustee to exercise remedies upon default, including the acceleration of all amounts payable by the College under the Loan Agreement, the Series 2020 Obligations, the Master Trust Indenture and the Indenture, and may adversely affect the Master Trustee's or the Trustee's ability to take all steps necessary to file a claim under the applicable documents on a timely basis.

The College could file a plan for the adjustment of its applicable debts in a proceeding under the Bankruptcy Code, which plan could include provisions modifying or altering the rights of creditors generally, or any class of them, whether secured or unsecured. The plan, when confirmed by the United States Bankruptcy Court, would bind all creditors who have notice or knowledge of the plan and would discharge all claims against the College as provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are that the plan is in the best interests of creditors, is feasible and has been accepted by at least one class of claims impaired thereunder. A class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly.

Control by Bondholder Representative of Rights and Remedies

So long as a majority in aggregate principal amount of the Outstanding Series 2020 Bonds issued under the Indenture are beneficially owned by persons for whom Hamlin Capital Management, LLC serves as investment advisor, Hamlin Capital Management, LLC, as the Bondholder Representative, will have the sole power to, among other things, direct the pursuit of remedies under the Indenture and give or withhold any consent, approval, direction or waiver required or permitted to be given by holders of the Series 2020 Bonds under the Indenture, the Loan Agreement, the Master Trust Indenture, and the Mortgage, including any consent to amendments to the Indenture, the Loan Agreement, the Master Trust Indenture, and the Mortgage, which may include changes in the principal and interest payable on the Series 2020 Bonds and the due dates for such payments, and Bondholders will have no rights with respect to such matters other than through the Bondholder Representative.

Environmental Laws and Regulations

The College is subject to a wide variety of federal and State environmental, health and safety laws and regulations. In the role of an operator of properties or facilities, the College may be subject to liability for investigating and remedying any hazardous substances that have come to be located on its property, including any such substances that may have migrated off of its property. As operators of properties or facilities, educational operations are susceptible to the practical, financial and legal risks associated with compliance with such laws and regulations.

At the present time, the College is not aware of any pending or threatened claim, investigation or enforcement action regarding environmental, health or safety issues which, if determined adversely to the College, would have material adverse consequences to the operations or financial condition of the College.

Financial Assistance

The amount of available financial assistance is a significant factor in the decision of many students to attend a particular college or university. Approximately 99% of the College's eligible undergraduate students receive some form of financial assistance from the College or other outside sources. The level of

financial assistance is directly affected by funding levels of federal, state and other financial aid programs. Any significant reduction in the level of financial assistance offered to prospective students could reduce the number of students enrolling at the College.

Investment Income

The College's endowment funds are professionally managed by outside asset management firms. Although the unrestricted portion of the College's endowment funds and the payout therefrom are available for debt service payments on the Series 2020 Bonds, no assurance can be given that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

Fund Raising

The College has raised funds to finance its operations and capital development programs from a variety of benefactors. Although it plans to continue those efforts in the future, there can be no assurance that those efforts will be successful. Such efforts may be adversely affected by a number of factors, including general economic conditions and tax law changes affecting the deductibility of charitable contributions.

Risks as Employer

The College is a major employer, combining a complex mix of tenured and untenured full-time faculty, part-time faculty, technical and clerical support staff, maintenance and other types of workers in a single operation. As with all large employers, the College bears a wide variety of risks in connection with its employees. These risks include strikes and other related work actions, contract disputes, discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees or between employees and students) and other risks that may flow from the relationships between employer and employee or between students and employees. Certain of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance.

Competition

The College currently faces substantial competition from other private and public colleges and universities. If, as a result of competition or otherwise, the enrollment levels were to be materially lower than in past years, there could be a material adverse effect on the College's revenues. The College could face additional competition in the future from other educational institutions that offer comparable services and programs to the population that the College presently serves. This could include the establishment of new programs and the construction, renovation or expansion of competing educational institutions, as well as tuition discounting programs of competing educational institutions.

Government Funding

Federal and state governments provide funding to support education, including tuition assistance. These sources of funding and the governmental programs that support them have been and will continue to be subject to modifications and revision due to state and federal policy decisions, legislative action and government funding limitations. The financial condition of the College could be adversely affected by these actions, and the ability of the College to maintain its creditworthiness will be based on its ability to successfully manage the outcome of any such actions.

Economic, Political, Social and Environmental Conditions

Changes in economic, political, social, or environmental conditions on a local, State, federal, and/or international level may adversely affect the business and financial condition of the College. Such conditional changes may include (but are not limited to) fluctuations in business production, consumer prices, or financial markets, unemployment rates, availability of skilled labor, technological advancements, shortages or surpluses in natural resources or energy supplies, changes in law, social unrest, fluctuations in the crime rate, political conflict, environmental damage, and natural disasters.

Facility Damage

Damage from deliberate acts of destruction, vandalism, terrorism, natural causes, fire, severe weather or various facility system failures may have a material adverse impact on the College's business and financial condition, especially if insurance is inadequate to cover resulting property and business losses.

Changes in Law

Changes in law may impose new or added financial or other burdens on the operations of the College. Developments may include: (i) legislative or regulatory requirements for maintaining status as an organization exempt from taxation as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); or (ii) challenges to State and local exemptions from real property tax and other taxes. It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of not-for-profit corporations. There can be no assurance that future changes in the laws and regulations will not materially adversely affect the operations and financial condition of the College by requiring it to pay income or real property taxes (or other ad valorem taxes).

Maintenance of 501(c)(3) Status

The federal tax-exempt status of the Series 2020A Bonds and, if and when issued, the Series 2020C Bonds, presently depends upon maintenance by the College of its status as an organization described in Section 501(c)(3) of the Code. The College qualifies as a tax-exempt organization described in Section 501(c)(3) of the Code. To maintain such status, the College must conduct its operations in a manner consistent with representations previously made to the Internal Revenue Service (the "IRS") and with current and future IRS regulations and rulings. Compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the College to charge and collect revenues, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2020 Bonds. Although the College has agreed that it will not take any action or omit to take any action if such action or omission would cause any revocation or adverse modification of the College's tax-exempt status, loss of tax-exempt status would likely have a significant adverse effect on such organization and its operations and could result in the includability of interest on the Series 2020A Bonds and, if and when issued, the Series 2020C Bonds, in gross income for federal income tax purposes retroactive to their date of issue. See "TAX MATTERS" herein.

The tax-exempt status of nonprofit corporations, and the exclusion of income earned by them from taxation, has been the subject of review by various federal, state and local legislative, regulatory and judicial bodies. This review has included proposals to broaden and strengthen existing federal tax law with respect to unrelated business income of nonprofit corporations.

There can be, however, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the College by requiring it to pay income, real estate or other taxes.

Tax Audits

Taxing authorities have recently been conducting tax audits on non-profit organizations to confirm that such organizations are in compliance with applicable tax rules and in some instances have collected significant payments as part of the settlement process. The College is not currently under audit.

Additional Indebtedness

The Master Trust Indenture permits the issuance of Additional Indebtedness on a parity basis with the Series 2020 Obligations if certain conditions are met. See “SECURITY FOR THE SERIES 2020 BONDS – Obligations under the Master Trust Indenture – Covenants Related to Other Indebtedness” herein. The College may issue Additional Indebtedness which may or may not be on a parity with the Series 2020 Obligations and may or may not be issued through the Master Trust Indenture. If secured on a parity basis, any such parity indebtedness would be entitled to share ratably with the holders of the Series 2020 Bonds and any other holder of parity debt in any moneys realized from the exercise of remedies in the event of a default by the College to the extent provided in the Indenture and the Master Trust Indenture. The amount of any such Additional Indebtedness is undetermined at this time. The issuance of Additional Indebtedness may adversely affect the investment security of the Series 2020 Bonds.”

Realization of Value on Mortgaged Property

The Mortgaged Property is not comprised of general purpose buildings and would not generally be suitable for industrial or commercial use. Consequently, it may be difficult to find a buyer or lessee for the Mortgaged Property if it were necessary to foreclose on the Mortgaged Property. The College received the Appraisal on the Mortgaged Property, as described in “SECURITY FOR THE SERIES 2020 BONDS – Obligations under the Master Trust Indenture – The Mortgage,” stating that the aggregate market value of the fee simple interest in the Mortgaged Property was \$198,000,000. However, the value of the Mortgaged Property to Bondowners could be diluted by the issuance of additional parity indebtedness. Furthermore, the value of the Mortgaged Property may fluctuate over time. The value of the Mortgaged Property at any given time will be directly affected by market and financial conditions which are not in the control of the College. These conditions include the risk of adverse changes in general economic and local conditions, including population decreases; uninsured losses; lack of attractiveness of the property to students / parents; cyclical nature of the real estate market; limited alternative use; suitability of the property; adverse changes in neighborhood values; and adverse changes in zoning laws, other laws and regulations. There is nothing associated with the Mortgaged Property which would suggest that its value would remain stable or would increase if the general values of property in the community were to decline. There is no requirement that the value of the Mortgaged Property be equal to or greater than the amount of the Obligations. Thus, upon any default, it may not be possible to realize the outstanding interest on and principal of the Series 2020 Bonds from a sale or lease of the Mortgaged Property.

In addition, under applicable environmental law, in the event of any past or future releases of pollutants or contaminants on or near the Mortgaged Property, a lien superior to the lien of the Mortgage could attach to the Mortgaged Property to secure the costs of removing or otherwise treating such pollutants or contaminants. Such a lien would adversely affect the Master Trustee’s ability to realize sufficient amounts to pay the Series 2020 Obligations and the PFA 2020 Obligation in full. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Mortgaged Property, the Master Trustee may have to take into account the potential liability of any owner of the Mortgaged Property, including an owner by foreclosure, for clean-up costs with respect to such pollutants and contaminants.

Risks Related to Strategic Planning

The College is undertaking a comprehensive strategic planning process assessing a wide range of programmatic, financial and real estate alternatives to ensure the future viability of the College. Programmatic alternatives under review include the expansion of existing academic programs, closure of existing academic programs, development of new academic programs, development of new modalities of educational delivery, international partnerships for academic programs and enrollment, and partnerships with online program managers, among others. Real estate alternatives under review include the monetization of campus infrastructure through sale, sale leaseback, concession, or public private partnerships; the opening of a new primary campus location; the opening of secondary campus locations; construction of new infrastructure through public private partnership structures; and refurbishment and renovation of some or all of the current 180 Remsen Street location, among others. The future financial condition of the College could be adversely affected by, among other things, transactions undertaken as part of the results of the strategic planning process, and a number of other conditions which are unpredictable.

Resale of Series 2020 Bonds/Lack of Secondary Market

There is no guarantee that a secondary trading market will develop for the Series 2020 Bonds. Consequently, prospective bond purchasers should be prepared to hold their Series 2020 Bonds to maturity or prior redemption.

No Rating

No recognized credit ratings for the Series 2020 Bonds have been applied for and there can be no assurance that one or more credit ratings will ever be applied for or would be obtained if applied for. Typically, unrated bonds lack liquidity in the secondary market in comparison with rated bonds. As a result of the foregoing, the Series 2020 Bonds are believed to bear interest at higher rates than would prevail for bonds with comparable maturities and redemption provisions that have investment grade credit ratings. Consequently, the Series 2020 Bonds should not be purchased by any 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 2020 Bonds.

The DASNY 2014 Bonds and the DASNY 2010 Bonds are rated “BBB” with Stable outlook by S&P Global Ratings. Upon the defeasance of the DASNY 2014 Bonds and the DASNY 2010 Bonds, the College intends to withdraw this rating.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization. The Governor of the State of New York, the Mayor of the City of New York, and the County Executive of both Suffolk and Nassau Counties have all declared states of emergency in their respective jurisdictions. Since declaring a state of emergency in New York State on March 7, 2020, Governor Andrew M. Cuomo has issued numerous Executive Orders suspending or modifying dozens of state and local laws and has issued numerous directives to aid the state’s response. By order of Governor Cuomo (“New York State on PAUSE”), as of Sunday, March 22, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. Based on metrics established by the State, the State has begun and is expected to continue to lift certain PAUSE restrictions on a regional basis in phases as each region meets the criteria outlined by the Governor to protect public health as businesses reopen. PAUSE restrictions began to be lifted in New York City on June 8, 2020.

The continued spread of COVID-19 and the continued impact on social interaction, travel, economies and financial markets may adversely impact the College's finances and operations. The continued spread of COVID-19 and its related impacts may (a) adversely affect the ability of the College to conduct its normal operations and/or may adversely affect the cost of, or revenue derived from, operations, or both, (b) adversely affect financial markets generally and consequently adversely affect the returns on, and value of, the College's investments and liquidity and (c) adversely affect the secondary market for, and value of, the Series 2020 Bonds. In addition, such factors may limit the sources of liquidity available in ordinary markets, and adversely impact the College's ability to access capital markets generally. The College is monitoring developments and the directives of federal, state and local officials to determine what additional precautions and procedures may need to be implemented by the College in the event of the continued spread of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on the College finances and operations cannot be fully determined at this time. Other adverse consequences of COVID-19 may include, but are not limited to, decline in net tuition revenue and auxiliary services revenue, decline in demand for college programs that involve travel or that have international connections. While the College has defined and is considering a series of financial mitigation strategies to address many of the known costs of COVID-19, including, **but not limited to**, a staff hiring freeze, no merit-based salary increases for fiscal year 2021, a suspension of non-essential travel and discretionary spending through fiscal year 2021, and a delay in certain capital project spending, the continued risk could adversely impact available financial reserves.

For additional information about the impact of COVID-19 on the College, see "COVID-19 Outbreak" in "APPENDIX A – St. Francis College."

Factors Generally Affecting Higher Educational Institutions

The following factors, which are not all-inclusive, may adversely affect the operations of higher education institutions in the future, including the operations of the College, to an extent that cannot be determined at this time.

1. The reduced demand for private higher education or other services arising from a change in demographics, or from continued adverse or declining economic conditions in the areas from which the College draws a significant portion of its enrollment. A significant decrease in the College's enrollment could adversely affect the College's financial position and results of operations.
2. Cost increases without corresponding increases in revenue could result from, among other factors, increases in the salaries, wages and fringe benefits of higher education employees and inflation.
3. Future legislation and regulations affecting private colleges and universities, their tax-exempt status, and educational institutions in general could adversely affect the operations of the College.
4. The College's need to fund financial aid and the availability of student loans and financial aid in general.
5. International events, including any acts of war and terrorism, which may have adverse effects on enrollment and investments.
6. Immigration reform and restrictions which may have an adverse effect on enrollment.
7. Market conditions that negatively affect the College's investments and therefore may adversely affect its debt coverage and endowment spending.

8. Cybersecurity risks related to breaches of the College's information technology systems or computer viruses and inadvertent disclosure of confidential student and other information.

ABSENCE OF 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 written 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 College

There is no litigation of any nature now pending, or to the knowledge of the College's officers threatened, against the College restraining or enjoining the execution, sale or delivery of the Series 2020 Bonds or in any way contesting or affecting the validity of the Series 2020 Bonds, the Loan Agreement, the Indenture, the Master Trust Indenture, the Supplemental Indentures, the Series 2020 Obligations, the Mortgage, the Assignment of Leases and Rents, the Continuing Disclosure Agreement, any proceedings of the College taken concerning the execution, sale or delivery of the Loan Agreement, the Master Trust Indenture, the Supplemental Indentures, the Series 2020 Obligations, the Mortgage, the Assignment of Leases and Rents or the Continuing Disclosure Agreement, or the application of any moneys or security provided for the payment of the Series 2020 Bonds, or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement or materially and adversely affect the financial conditions or operations of the College or the ability of the College to perform under the above mentioned documents.

LEGAL MATTERS

Certain legal matters incident to the issuance and sale of the Series 2020 Bonds are subject to the legal opinion of Hawkins Delafield & Wood LLP, New York, New York, as Bond Counsel. Certain legal matters will be passed upon for the Issuer by its General Counsel, for the College by its special counsel, Squire Patton Boggs (US) LLP, New York, New York, for the Trustee by its special counsel, Paparone Law PLLC, New York, New York, and for the Master Trustee by its special counsel, Thompson Hine LLP, New York, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

TAX MATTERS

Series 2020A Bonds

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Issuer ("Bond Counsel"), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series 2020A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Issuer, the College and others, in connection with the Series 2020A Bonds, and Bond Counsel has assumed compliance by the Issuer and

the College with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2020A Bonds from gross income under Section 103 of the Code. In addition, in rendering its opinion, Bond Counsel has relied on the opinion of counsel to the College regarding, among other matters, the current qualifications of the College as an organization described in Section 501(c)(3) of the Code.

In addition, in the opinion of Bond Counsel to the Issuer, under existing statutes, interest on the Series 2020A Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision thereof.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2020A Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2020A Bonds.

Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2020A Bonds in order that interest on the Series 2020A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2020A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2020A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Issuer and the College have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2020A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2020A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series 2020A Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2020A Bonds.

Prospective owners of the Series 2020A Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series 2020A Bonds may be taken into

account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series 2020A Bonds. In general, the issue price for the maturity of Series 2020A Bonds is expected to be the initial public offering price set forth on the inside cover page of this Limited Offering Memorandum. Bond Counsel further is of the opinion that, for any Series 2020A Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2020A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant-yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant-yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2020A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2020A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2020A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2020A Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2020A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2020A Bonds.

Prospective purchasers of the Series 2020A Bonds should consult their own tax advisors regarding the foregoing matters.

The form of the approving opinion of Bond Counsel for the Series 2020A Bonds and the Series 2020B Bonds is attached to this Limited Offering Memorandum as “APPENDIX F – FORMS OF BOND COUNSEL OPINION.”

Series 2020C Bonds

The information with respect to the Series 2020A Bonds under this heading “TAX MATTERS – Series 2020A Bonds,” subject to any change in applicable law, rule or regulation (or the interpretation or administration thereof), is applicable to the Series 2020C Bonds if and when issued. The form of the approving opinion of Bond Counsel for the Series 2020C Bonds if and when issued, subject to the same conditions mentioned in the preceding sentence, is attached to this Limited Offering Memorandum as “APPENDIX F – FORMS OF BOND COUNSEL OPINION.”

Series 2020B Bonds

In the opinion of Bond Counsel to the Issuer, interest on the Series 2020B Bonds (the “Taxable Bonds”) (i) is included in gross income for federal income tax purposes under the Code, and (ii) is not exempt, under existing statutes, from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York.

The following discussion is a brief summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Taxable Bonds by original purchasers of the Taxable Bonds who are “U.S. Holders”, as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the Taxable Bonds will be held as “capital assets”; and (iii) does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Bonds as a position in a “hedge” or “straddle”, U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Taxable Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

U.S. Holders of Taxable Bonds should consult with their own tax advisors concerning the United States federal income tax and other consequences with respect to the acquisition, ownership and disposition of the Taxable Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Original Issue Discount

In general, if Original Issue Discount (“OID”) is greater than a statutorily defined *de minimis* amount, a U.S. Holder of a Taxable Bond having a maturity of more than one year from its date of issue must include in federal gross income (for each day of the taxable year, or portion of the taxable year, in which such U.S. Holder holds such Taxable Bond) the daily portion of OID, as it accrues (generally on a constant-yield method) and regardless of the U.S. Holder’s method of accounting. “OID” is the excess of (i) the “stated redemption price at maturity” over (ii) the “issue price”. For purposes of the foregoing: “issue price” means the first price at which a substantial amount of the Taxable Bonds are sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers); “stated redemption price at maturity” means the sum of all payments, other than “qualified stated interest”, provided by such Taxable Bonds; “qualified stated interest” is 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; and “*de minimis* amount” is an amount equal to 0.25 percent of the Taxable Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity. A U.S. Holder may irrevocably elect to include in gross income all interest that accrues on a Taxable Bond using the constant-yield method, subject to certain modifications.

Bond Premium

In general, if a Taxable Bond is originally issued for an issue price (excluding accrued interest) that reflects a premium over the sum of all amounts payable on the Taxable Bond other than “qualified stated interest” (a “Taxable Premium Bond”), that Taxable Premium Bond will be subject to Section 171 of the Code, relating to bond premium. In general, if the U.S. Holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant-yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium

is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to the U.S. Holder's basis in the Taxable Premium Bond. Any such election is generally irrevocable and applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Taxable Bond.

The College may cause the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Bonds to be deemed to be no longer Outstanding under the Indenture (a "defeasance"). (See APPENDIX D – "FORM OF INDENTURE"). For federal income tax purposes, such defeasance could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the Taxable Bonds subsequent to any such defeasance could also be affected.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to non-corporate U.S. Holders of the Taxable Bonds with respect to payments of principal, payments of interest, and the accrual of OID on a Taxable Bond and the proceeds of the sale of a Taxable Bond before maturity within the United States. Backup withholding may apply to U.S. Holders of Taxable Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a Taxable Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could affect the market price or marketability of the Taxable Bonds.

Prospective purchasers of the Taxable Bonds should consult their own tax advisors regarding the foregoing matters.

The form of the approving opinion of Bond Counsel for the Series 2020A Bonds and the Series 2020B Bonds is attached to this Limited Offering Memorandum as “APPENDIX F – FORMS OF BOND COUNSEL OPINION.”

NO RATING

No ratings have been applied for with respect to the Series 2020 Bonds. No representation can be made that ratings with respect to the Series 2020 Bonds, if applied for, could be obtained.

The DASNY 2014 Bonds and the DASNY 2010 Bonds are rated “BBB” with Stable outlook by S&P Global Ratings. Upon the defeasance of the DASNY 2014 Bonds and the DASNY 2010 Bonds, the College intends to withdraw this rating.

UNDERWRITING

The Series 2020A Bonds will be purchased for re-offering at a negotiated sale by RBC Capital Markets, LLC (the “Underwriter”) from the Issuer at a price of \$17,222,486.15, which reflects the par amount of the Series 2020A Bonds, less original issue discount of \$208,199.80 and less Underwriter’s discount of \$109,314.05. The Series 2020B Bonds will be purchased for re-offering at a negotiated sale by the Underwriter from the Issuer at a price of \$24,073,184.01, which reflects the par amount of the Series 2020B Bonds, less original issue discount of \$289,031.85 and less Underwriter’s discount of \$152,784.14. The Underwriter will enter into a Bond Purchase Agreement with the Issuer and the College that provides that the Underwriter will purchase the Series 2020A Bonds and the Series 2020B Bonds at closing. The obligation of the Underwriter to accept delivery of the Series 2020A Bonds and the Series 2020B Bonds will be subject to various conditions contained in the Bond Purchase Agreement. Expenses associated with the issuance of the Series 2020A Bonds and the Series 2020B Bonds are being paid from proceeds of the Series 2020A Bonds and the Series 2020B Bonds, the proceeds of the PFA 2020 Bonds, or from funds provided by the College. The right of the Underwriter to receive compensation in connection with the Series 2020A Bonds and the Series 2020B Bonds is contingent upon the actual sale and delivery of the Series 2020A Bonds and the Series 2020B Bonds. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2020A Bonds and the Series 2020B Bonds, if any Series 2020A Bonds or Series 2020B Bonds are purchased.

In the Bond Purchase Agreement, the Underwriter, the Issuer and the College acknowledge and agree that as provided in the Indenture, the Issuer may issue the Series 2020C Bonds and the Series 2020C Bonds, if issued, will be delivered to the Series 2020C Bond Initial Beneficial Owners in exchange for the surrender by the Series 2020B Bond Owners of the Series 2020B Bonds in accordance with the Indenture, and the Underwriter agrees to facilitate such exchange, all as more particularly described in the Bond Purchase Agreement. See “THE SERIES 2020 BONDS – Series 2020C Bond Conversion Option.”

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriter and its affiliates may have certain creditor and/or other rights against the College and its affiliates in connection with such activities. In the course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the College (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the College. The

Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Robert Thomas CPA, LLC (the “Verification Agent”) will provide at the time of delivery of the Series 2020A Bonds and the Series 2020B Bonds a report to the effect that such firm has verified the arithmetic accuracy of certain schedules provided to it with respect to the adequacy of the cash and the maturing principal of and interest on the non-callable direct obligations of the United States of America to pay when due the redemption price of, and the interest on, the DASNY 2010 Bonds. The Verification Agent will express no opinion as to any assumptions provided to it.

INDEPENDENT AUDITORS

The consolidated financial statements of the College as of and for the two years ended June 30, 2019 and June 30, 2018, included in “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF ST. FRANCIS COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (INCLUDING JUNE 30, 2018 COMPARATIVE INFORMATION),” have been audited by Grant Thornton LLP, independent auditors, as stated in their reports appearing therein.

CONTINUING DISCLOSURE

On the date of issuance of the Series 2020A Bonds and the Series 2020B Bonds, the College, on behalf of itself and any future Member of the Obligated Group, will enter into the Continuing Disclosure Agreement in substantially the form attached hereto as “APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT” for the benefit of the beneficial owners of the Series 2020 Bonds (the “Continuing Disclosure Agreement”). Under the Continuing Disclosure Agreement, the College is required to file certain information annually with, and to provide notice of certain events to, the Municipal Securities Rulemaking Board (the “MSRB”) using its Electronic Municipal Market Access system (“EMMA”), pursuant to Rule 15c2-12, as amended, of the Securities and Exchange Commission. The information to be provided on an annual basis and the events that are required to be noticed on an occurrence basis are set forth in the Continuing Disclosure Agreement. Failure of the College to provide such information will not constitute a default under the Loan Agreement. See “APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT” hereto.

Under the College’s agreement to provide continuing disclosure with respect to bonds previously issued, during the past five years, the College was late in filing required annual financial information for fiscal year 2019. Such information was filed in February 2020. The College has instituted procedures designed to ensure future compliance with its obligations.

MISCELLANEOUS

The foregoing summaries or descriptions of provisions in the Indenture, the Loan Agreement, the Master Trust Indenture, the Supplemental Indentures, the Series 2020 Obligations, the Mortgage, the Assignment of Leases and Rents, the Continuing Disclosure Agreement and the other agreements and documents referred to herein, and all references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions or purport to summarize all of the pertinent provisions thereof. Reference is made to “APPENDIX C – FORM OF LOAN AGREEMENT,” “APPENDIX D – FORM OF INDENTURE,” “APPENDIX E-1 – FORM OF MASTER TRUST INDENTURE” and “APPENDIX E-2 – FORMS OF SUPPLEMENTAL INDENTURES.”

The information contained in this Limited Offering Memorandum is the responsibility of the College, except for the information contained under the heading “BOOK-ENTRY ONLY SYSTEM,” which has been provided by DTC to the extent described therein, the information under the heading “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer,” which has been provided by the Issuer, and the information under the heading “UNDERWRITING,” which has been provided by the Underwriter. The Issuer makes no representation, warranty or certification as to the adequacy, accuracy or completeness of the information set forth in this Limited Offering Memorandum, other than the information set forth under the headings “THE ISSUER” and “ABSENCE OF LITIGATION – The Issuer.” This Limited Offering Memorandum is not intended to be construed as a contract or agreement between the Issuer or the College and the purchasers or holders of the Series 2020 Bonds.

Any statements made in this Limited Offering Memorandum involving matters of opinion or estimates, whether or not expressly stated, are set forth as such, and not as representations of facts. No representation is made that any of the opinions or estimates will be realized.

BUILD NYC RESOURCE CORPORATION

By: /s/ Krishna Omolade
Krishna Omolade, Executive Director

ST. FRANCIS COLLEGE

By: /s/ Maureen M. Lawrence
Maureen M. Lawrence, Chief Financial Officer

APPENDIX A
ST. FRANCIS COLLEGE

APPENDIX A THE COLLEGE

Certain statements contained in this Appendix A reflect forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved. Actual results may differ materially from the forecasts described herein. In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward-looking statements. All projections, forecasts, assumptions, expressions of opinions, estimates and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Limited Offering Memorandum. Unless otherwise noted, all information, data, and projections in this Appendix A were furnished by the College.

GENERAL INFORMATION

Introduction

St. Francis College (“St. Francis College,” the “College” or the “Institution”) is a private, nonprofit, independent co-educational college that provides a liberal arts education to students from various backgrounds. Both the Franciscan heritage and the Catholic tradition establish a cornerstone of academic excellence, social responsibility, and mutual respect throughout the entire College community. In the fall semester of 2019, the College had a full-time enrollment of 2,341 undergraduate students and 77 graduate students.

History

St. Francis College was founded in 1858 as St. Francis Academy by Franciscan brothers with a mission to educate young men living in the Brooklyn diocese. St. Francis Academy was committed from its beginning to providing a comprehensive education to those with limited means. To achieve this goal, St. Francis Academy offered affordable tuition, a rigorous curriculum and personal academic support, distinctive characteristics that endure today.

In 1884, a new charter was granted to St. Francis Academy by the New York State Legislature to establish a literary college under its current name to award diplomas, honors and degrees. After several years of growth in the number of students and programs it offered, St. Francis College built a larger campus in 1926, adjacent to its original site in the Cobble Hill section of Brooklyn. In 1957, the Board of Regents granted an absolute charter to the Trustees of the College, rendering the College officially independent of the Diocese of Brooklyn and making it eligible to receive federal funds.

In the 1960s, St. Francis College relocated to its present campus on Remsen Street in Brooklyn Heights. The campus included new facilities that were accessible by New York City’s mass transit system and the College admitted women as students for the first time, both of which contributed to a doubling in the enrollment. Today, these elements remain, making St. Francis College accessible to students living in all five of New York City’s boroughs.

Consistent with its original mission, St. Francis College still attracts a large number of students who are first generation college students. Since the time of the College’s founding, however, the ethnic composition of the student body has shifted to reflect the general population of New York City, including substantial numbers of African American and Hispanic students.

Charter and Accreditation

The College is chartered by the Legislature of the State of New York and the Board of Regents of the University of the State of New York (the “Board of Regents”). The College is accredited by the Middle States Commission on Higher Education (“Middle States”) and has specialized accreditations for programs in Nursing from the Commission on Collegiate Nursing and the Board of Regents, State Education Department, Office of the Professions for Nursing Education. The College was first accredited by Middle States in 1959

and received its most recent reaccreditation in 2014. The College received its most recent accreditation for the program in Nursing from the Commission on Collegiate Nursing in 2020.

As part of ongoing accreditation requirements, the College submitted to Middle States a regularly scheduled Self-Study Report in August 2019 and Middle States conducted a Self-Study Evaluation Visit in September 2019. In March 2020, the College received a warning from Middle States that further evidence was necessary to demonstrate compliance with Standard V (Educational Effectiveness Assessment) and Standard VI (Planning, Resources and Institutional Improvement). As a point of reference, Middle States actions, in range of severity from low to high, are: warning, probation, show cause and adverse action. The College remains fully accredited by Middle States. The College provided supplemental information to Middle States in April 2020, and a Middle States follow up team visit has been scheduled for December 2020. In preparing the supplemental information and in advance of the December 2020 follow up team visit, the College has engaged an accreditation consulting firm with Middle States experience. The College believes it has provided information to demonstrate compliance with the aforementioned standards. The College does not believe the action poses an ongoing business risk to operations and expects the action to be resolved in December.

Upon reaffirmation of accreditation, the next Mid-Point peer review is scheduled for 2023, and the next Self-Study evaluation is scheduled for 2026 – 2027.

Strategic Plan

The College is in the process of developing an initiative reflecting strategic priorities, including: (1) strengthen a dynamic, innovative academic culture; (2) expand and deepen international programs; (3) embrace a diverse campus culture consistent with the Franciscan mission; (4) build character, capital and campus; and (5) harness the power of the College's story. The College expects to present the plan reflecting these priorities to the Board of Trustees for approval in August 2020. See "Strategic Growth and Enrollment" below.

The College is in the process of further reconceiving its strategic plan to explore the possibility for a new direction for the College. The College is undertaking a comprehensive strategic planning process assessing a wide range of programmatic, financial and real estate alternatives to ensure the future viability of the College. Programmatic alternatives under review include the expansion of existing academic programs, closure of existing academic programs, development of new academic programs, development of new modalities of educational delivery, international partnerships for academic programs and enrollment, and partnerships with online program managers, among others. Real estate alternatives under review include the monetization of campus infrastructure through sale, sale leaseback, concession, or public private partnerships; the opening of a new primary campus location; the opening of secondary campus locations; construction of new infrastructure through public private partnership structures; and refurbishment and renovation of some or all of the current 180 Remsen Street location, among others. See "RISK FACTORS—Risks Related to Strategic Planning" in this Limited Offering Memorandum.

Governance

St. Francis College is governed by a board of 30 trustees (the “Board”), which includes representation from a variety of private corporations, cultural and nonprofit organizations, institutions of higher education, and religious institutions. Organizational vision and day-to-day operations are led by the College’s president and his cabinet, which includes the College’s executive vice president, and four additional vice presidents. Under the by-laws of the College, approximately one-third of the entire Board is elected each year for a term of three years. The Board meets regularly four times a year and from time to time as the need arises.

TABLE 1
St. Francis College Board of Trustees

Hector Batista '84 City University of New York	Mary Beth Dawson, Ph.D. Kingsborough Community College	Lawrence A. Marsiello '72 Waterfall Asset Management
Bro. William A. Boslet, OSF '70 Franciscan Brothers of Brooklyn	Jean S. Desravines '94 New Leaders	Dr. Victor Masi '89 Prohealth Medical
Reverend Monsignor John J. Bracken Diocese of Brooklyn	Gene E. Donnelly '79, Vice Chairman and Secretary	Gino P. Menchini National Strategies, Inc.
Kate C. Burke Alliance Bernstein	Catherine Greene MDO Development	Bro. Gabriel O'Brien, OSF
Tim Cecere WPP People at WPP	Leslie S. Jacobson, Ph.D. Brooklyn College, CUNY	Walton D. Pearson '83 Brown Capital Management, LLC
William Cline Alova Capital Management	Penelope Kokkinides InnovaCare Health Solutions, LLC	Judy A. Rice '79 Prudential Investments
Edward N. Constantino '68 Patriot National Bank	Barbara G. Koster '76	Denis J. Salamone '75, Chair
Bro. Leonard Conway, OSF '71 St. Francis Prep High School	Jesus F. Linares '84 Nor Gee Real Estate, LLC	John F. Tully '67
Kenneth D. Daly '88 St. Thomas Aquinas College	Michael A. MacIntyre '97 Investors Bank	Thomas J. Volpe, Emeritus and Non-Voting Babcock and Brown
William F. Dawson, Jr. '86 Wellspring Capital Management, Llc	J. Christopher Mangan '83 Bank of Ireland	Miguel Martinez-Saenz, Ph.D., President of the College

Administration

Miguel Martinez-Saenz, President. Miguel Martinez-Saenz, Ph.D. is the President of St. Francis College. Since taking on the role in 2017, he has led the College through significant, ongoing growth. In September 2019, St. Francis College welcomed its largest class of first-year students in at least six years. Two new Master’s programs – an MFA in Creative Writing and an MS in Management – launched during Dr. Martinez-Saenz’s tenure. The College added two additional Division I teams to its athletics program – women’s soccer and men’s volleyball – under Dr. Martinez-Saenz’s administration. Before joining St. Francis College, Dr. Martinez-Saenz served as Provost at Otterbein University for three years. While there, he directed

the University's internationalization strategy, a centerpiece of which was a three-year global arts initiative funded, in part, by the National Endowment of the Arts. He also helped develop partnerships with universities in South Africa, Costa Rica, Brazil, and Malaysia. Prior to Otterbein, Dr. Martinez-Saenz served in Provost positions at St. Cloud State University and Wittenberg University, where he began his career as an Assistant Professor of Philosophy. Dr. Martinez-Saenz was an administrative Fulbright Scholar (March 2016) through the Fulbright-Nehru International Education Administrators Program. Working with his spouse, Mrs. Julie Holland, a former 8th grade public school Social Studies teacher, Dr. Martinez-Saenz has tutored teens at or below the poverty-line, has conducted philosophy and poetry workshops in juvenile detention centers and correctional facilities. He has also accompanied student groups to build houses in rural communities in Nicaragua as part of trips organized by Bridges to Community. Dr. Martinez-Saenz earned his BA in Philosophy from Florida State University and holds a Ph.D. in Philosophy from University of South Florida.

Reza Fakhari, *Vice President of Internationalization and Strategic Initiatives*. As St. Francis College's Vice President for Internationalization and Strategic Initiatives, Reza Fakhari seeks out and establishes new relationships for the College with institutions and businesses in the United States and abroad – creating opportunities for co-curricular learning for current students and pathways to enroll more students from countries outside the U.S. Mr. Fakhari also works with faculty and staff to help ensure the College maintains a global perspective in its academic curriculum and in its campus life. He teaches an Honors course on Diplomacy as well. Before joining the College in 2018, Mr. Fakhari served for 30 years at two colleges of the City University of New York: first as professor and dean at LaGuardia Community College and then as dean, associate provost, and vice president at Kingsborough Community College. Fakhari was elected to the AIUSA (Amnesty International) Board of Directors in 2014 and served for three years as Vice Chair of the Board and Chair of Governance Committee. He chaired the AIUSA Human Rights Working Group on Strategy and Impact in 2017-18. He still serves as a Director. He also serves as the Secretary of the Board of Directors of Global Citizenship Alliance. Mr. Fakhari earned a Ph.D., with Honors, in International Relations from the New School for Social Research in New York City. He received his B.A. in Chemistry (with a minor in Sociology) from Winona University in Minnesota.

Thomas Flood, *Vice President for Advancement*. Thomas Flood is St. Francis College's Vice President for Advancement, overseeing the College's fundraising initiatives and alumni relations. He has held that position since joining the College in 2010. Previously, Mr. Flood worked at the Diocese of Brooklyn for ten years, as the Executive Director of the Office of Stewardship and Development and then as the Executive Director of the Alive in Hope Foundation – the Catholic Community Foundation of the Diocese. He also served as President of the Futures in Education, a foundation run by the Diocese, and remains on its Board of Trustees for Brooklyn and Queens to this day. For eleven years, Mr. Flood was the Annual Fund Director at Regis High School, New York, of which he is also an alumnus. Mr. Flood serves on the finance council of Holy Child Jesus Parish, Richmond Hill and on the School Board for St. Joan of Arc Catholic School in Jackson Heights and Cristo Rey High School in Brooklyn. Mr. Flood earned his BA in Communications from Boston College.

Madalyn Hanley, *Chief Information Officer*. Madalyn Hanley is the Chief Information Officer and Vice President for Information Technology (IT) at St. Francis College. Since joining the College in 2015, Ms. Hanley has overseen all the College's IT functions, including its data center, infrastructure, networking, enterprise systems, telecommunications, instructional computing, institutional devices and service desk. Prior to St. Francis, she worked for 27 years in a series of diverse IT and strategic-related roles at National Grid and, before that, at Keyspan Corp (formerly The Brooklyn Union Gas Company), which National Grid acquired in 2007. Her positions at National Grid included two years serving as Vice President IT, Head of Global Transmission in Warwick, United Kingdom and, in her final two years there, the National Grid Lead in the IT Divestiture Team, where she reported directly to both the Global CIO and the President of the New Hampshire Regulatory Jurisdiction. Ms. Hanley taught as an adjunct lecturer from 2014 to 2016 at St. Joseph's College in Brooklyn, from which she also earned her Executive MBA. She received a BS in Business Management, Summa Cum Laude, from St. Francis College.

Dr. Jennifer Lancaster, *Vice President for Academic Affairs, Academic Dean*. Jennifer Lancaster, Ph.D., is the Vice President for Academic Affairs and the Academic Dean for St. Francis College, responsible for planning, managing and evaluating all academic programs offered by the College and regular evaluation of academic personnel. Dr. Lancaster advises the President on all academic and curriculum matters, and represents the College at local, regional and national meetings and events as designed by the President. Dr. Lancaster took on her current role

in 2017, after having been a Professor in the College's Psychology Department since 2000 and serving as that department's Chair since 2011. As a Professor, Dr. Lancaster taught courses in experimental psychology, introduction to psychological research, psychology of the exceptional child and a clinical and counseling seminar and in collaboration with department colleagues, designed and implemented the College's 5-year BA/MA Program in Psychology. She is an honorary member of the Duns Scotus Honor Society, a life-time member of Psi Chi and has been awarded both faculty and administrator of the year at the College. Dr. Lancaster's primary research interests are in the areas of religious and LGBT identity, the etiology and prevention of panic disorder, and the teaching of psychology. She has presented research at both regional and national conferences. A licensed clinical psychologist with a private practice, Dr. Lancaster also supervises doctoral candidates from various area programs. Dr. Lancaster earned a MA and Ph.D. in Clinical Psychology from Hofstra University and a BA in Psychology from University of South Florida. She also earned a certificate in Strategic Enrollment Management from the University of Southern California's Rossier School of Education.

Maureen Lawrence, Chief Financial Officer. Maureen Lawrence is the Chief Financial Officer of St. Francis College, where she sets the College's long-term financial strategy and oversees the annual operating budget and the College's endowment. Ms. Lawrence came to St. Francis College in 2019 with nearly two decades experience in budget and finance, facilities management and campus planning. Most recently, she worked at Middlesex County College (MCC) in Edison, New Jersey, where she served two years as Vice President of Finance and Administration, advising the President on all matters related to MCC's operating and capital budget of more than \$88 million. Prior to MCC, Ms. Lawrence held increasingly more senior roles over a 14-year tenure at Brookdale Community College in Lincroft, New Jersey, with her final six years as Vice President of Finance and Operations in the President's Cabinet. Ms. Lawrence oversaw nearly \$40 million in campus renovations and expansions at Brookdale. In 2015, NJBiz named her the CFO of the Year in the Non-Profit Organization category. Ms. Lawrence obtained her B.S. in Business Administration, concentration in Accounting from Monmouth University and Masters in Administrative Sciences from Fairleigh Dickinson University. She is currently pursuing Ed.D. in Higher Education Leadership, Management and Policy from Seton Hall University.

Kevin O'Rourke, Vice President of Facilities Management and Capital Projects. Kevin O'Rourke serves as St. Francis College's Vice President for Capital Projects and Facilities Management, overseeing the College's major facility upgrades, and playing a lead role in matters related to real estate. Mr. O'Rourke has been with the College since 2003, and was promoted into his current position in 2017. During his tenure with St. Francis, he oversaw a 35,000 square-foot academic building construction project and a 50,000 square foot interior renovation. Prior to joining the College, Mr. O'Rourke served seven years as Executive Director of Facilities Management at NYU Polytechnic University, where he helped direct a \$120 million master plan that included a 120,000 square foot 400-bed dormitory and an 80,000 square foot athletic/academic facility. Mr. O'Rourke earned a MS in Construction Management from NYU Polytechnic University, and Bachelor of Technology in Facilities Management from SUNY Farmingdale. He is a veteran of the U.S. Air Force.

Monique Moore Pryor, Esq., Chief of Staff. Monique Moore Pryor serves as Chief of Staff of St. Francis College, a position she has held since 2018. In that role, she provides strategic oversight and management of the College's leadership. Previously, Ms. Pryor was the Assistant Vice President of Planned and Blended Giving at the New Jersey Institute of Technology, where she successfully solicited more than \$20 million in planned and realized gifts. An entrepreneur and journalist, Ms. Pryor co-founded Moms Extraordinaire, Inc. (ME), a multi-media company geared towards working mothers. She still serves as its CEO twelve years later. Through her professional and volunteer work, Ms. Pryor is committed to nurturing future African-American leaders, serving disadvantaged communities, and supporting women and children. She is the immediate past president of the North Jersey Chapter of Jack and Jill, an organization in which she has been involved the past thirteen years. She founded Mothers and Daughters Making a Difference (MDMD), a not-for-profit organization devoted to financially supporting causes that impact women and children. Ms. Pryor was an active member of the West Orange African Heritage Society where she supported the efforts of local African-Americans in education and services to youth. She is also a member of the Essex County Chapter of the Links. As a practicing lawyer in her early professional life, Ms. Pryor focused primarily on securities litigation. Ms. Pryor earned her BA in Journalism from the University of Maryland College Park. She received a JD from Hofstra University School of Law.

Linda Werbel Dashefsky, J.D., Vice President for Government and Community Relations. Linda Werbel Dashefsky is the Vice President for Government and Community Relations for St. Francis College.

She directs the College's government relations, community and media relations, special events, communications, and security, and is responsible for obtaining city, state, and federal funds for the College. Ms. Werbel Dashefsky joined St. Francis College in 2002. Since 2013, she has also served as the College's Title IX Coordinator, ensuring the College's compliance with all federal and state anti-sex discrimination statutes. Prior to joining St. Francis College, she worked as an Associate Counsel in the New York City Mayor's Office of City Legislative Affairs where she was responsible for managing the Mayor's legislation pertaining to the police department, the environment, and city contracts. A member of the New York State bar, Ms. Werbel Dashefsky graduated from Brooklyn Law School. She earned her BA in Communications from the University of Michigan in Ann Arbor.

Faculty and Staff

The College employs 229 staff members, 52 of which are part-time and 177 of which are full-time. Of the 368 faculty members, 48 are tenured, 29 are on tenure track, 275 are adjunct, and 16 are full time faculty that are not on tenure track.

The College currently employs 177 non-instructional persons on a full-time basis in the following categories: research (2), librarians, curators, and archivists (5), student and academic affairs (40), management (45), business and financial operations (15), computer, engineering and science (19), community service, legal, arts, and media (28), healthcare (2), and service/office and administrative support (21).

All members of the adjunct faculty are in the St. Francis College Adjunct Faculty Union, which has a Collective Bargaining Agreement with the College. The Collective Bargaining Agreement sets forth various grievance procedures, as well as the procedures for promotion, evaluation, and pedagogical review for adjunct faculty. The current Collective Bargaining Agreement expires on June 30, 2020 and the College and the Adjunct Faculty Union are negotiating its extension. The College believes that the College's relationship with the Adjunct Faculty Union is good.

Academic Programs and Initiatives

The general education program is the academic cornerstone of St. Francis College and affirms its mission to graduate educated, well-rounded students to enter and participate in a changing and culturally diverse world. As an integrated program of studies, it focuses on developing the skills expected of a liberally educated person. It provides students with a broad based foundation outside their areas of specialization, an understanding of how various disciplines intersect and differ, and assistance in cultivating a disposition for lifelong learning.

The General Education program has six targeted general proficiency outcomes:

1. Sensitivity to creative expression
2. The ability to communicate of ideas and information through oral, visual, and digital media
3. The development of critical and analytical skills
4. Exploration of diverse perspectives of the human experience
5. Information, technology, and media literacy
6. Quantitative literacy

In students' first year, to ensure refinement of basic reasoning and cognitive skills needed for successful completion of a college program, the general education program requires 18 credits in foundational courses targeting student learning outcomes in writing; quantitative reasoning; oral communications; information, technology, and media literacy; fitness or health; religious studies; and the Freshman Seminar.

Subsequently, students have a selection of 30 credits in broad areas of inquiry, designated as Bodies of Knowledge, which allow students the flexibility to gain breadth and depth in a field outside of a major.

Qualified students are able to participate in an Honors Program, while freshmen requiring academic support join Project Access, a program that provides academic support to students with lower placement scores.

The table below shows the undergraduate programs currently offered at St. Francis College:

TABLE 2
Undergraduate Programs

Accounting and Business Law	Mathematics
American Studies	Nursing
Biology	Philosophy
Chemistry and Physics	Physical Education
Communication Arts	Political Science
Economics	Pre-Health Professions
Education	Professional Studies
English	Psychology
Environmental Studies	Radiologic Sciences
Health Care Management	Religious Studies
Health Promotion and Services	Social Studies
History	Sociology & Criminal Justice
Honors Program	Spanish
International Cultural Studies	Sports Management
Management and Information Technology	Women's Studies

The table below shows the minors currently offered at St. Francis College:

TABLE 3
Minor Fields of Study

American Studies	Information Technology
Biology	Interactive Multimedia
Business	International Cultural Studies
Chemistry	Italian
Communication Arts	Mathematics
Corporate Accounting	Music
Criminal Justice	Personal Training
Cross-Cultural Psychology	Philosophy
Drama	Political Science
Economics	Project Management
English	Psychology
Entrepreneurship	Public Health
Environmental Studies	Religious Studies
Fine Arts	Sociology
Forensic Science	Spanish
French	Sports Management
Health Promotion & Science	Writing
History	Women's Studies

Associate degrees are offered in business administration, criminal justice, and liberal arts.

St. Francis College also offers graduate programs in accounting, creative writing, management, and psychology.

OPERATING INFORMATION

Recruitment and Enrollment

The majority of the College's students are recruited primarily from public and private high schools throughout the five boroughs of New York City, as St. Francis College is primarily nonresidential. In 2019, 88.7% of students were New York residents, 3.8% were from other states, and 7.5% were international students. The College's competition is primarily located in New York City and reflects the fact that the majority of the College's students live in the New York City metropolitan area.

The table below shows freshman applications, acceptances, and matriculations.

TABLE 4
Freshman Applications, Acceptances and Matriculations

Admissions Year	Applications	Acceptances	Matriculation	Acceptance Rate	Matriculation Rate
2014-2015	2,513	1,936	516	77.0%	26.7%
2015-2016	2,747	2,164	534	78.8%	24.7%
2016-2017	3,466	2,223	519	64.1%	23.3%
2017-2018	3,447	2,179	440	63.2%	20.2%
2018-2019	2,995	2,142	561	71.5%	26.2%
2019-2020	3,906	3,030	614	77.6%	20.3%
2020-2021	5,279	4,449	610	84.3%	13.7%

The freshman acceptance rate has averaged 71.0% over the past five academic years (2015-2019), not including the 2020 admissions year. The freshman matriculation rate has averaged 22.9% for the same time period. Including the 2020 admissions year, the freshman acceptance rate has averaged 72.1% over the past five academic years, and the freshman matriculation rate has averaged 20.7% over the same time period.

Total Enrollment. In Fall 2019, 2,418 students were enrolled full-time, with 178 enrolled on a part-time basis. 2,341 were full-time undergraduates, and 77 were full-time graduate students. Part-time students were comprised of 138 undergraduate students and 48 graduate students. The table below sets forth the College's full and part-time enrollment for the most recent six academic years. The 6-year graduation rate for first-time, full-time freshmen pursuing bachelor's degrees remained steady at 52% for those who began in Fall 2009 and 2010. For students who began in Fall 2011, the rate was 51%, and for those who began in Fall 2012, 55%. For the 2013 cohort of incoming freshmen, the 6-year graduation rate was 58%.

TABLE 5
Undergraduate Enrollment

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Full-time Students	2,414	2,393	2,343	2,098	2,196	2,341
Part-time Students	257	205	220	191	188	130
Total Headcount	2,671	2,598	2,563	2,289	2,384	2,471
Total FTE Enrollment	2,492	2,434	2,392	2,148	2,339	2,418

The FTE enrollment is based on a 12-month period, as reported to the Integrated Postsecondary Education Data System (IPEDS).

Forty-eight part-time graduate students enrolled in Fall 2019. As part of its strategic plan, the College is focusing on the expansion of its graduate programs.

Tuition and Scholarships

Consistent with the College's mission and Franciscan tradition, St. Francis College strives to provide an affordable quality educational experience. St. Francis College offers an array of academic scholarships, ranging in value from set-amount awards provided through active endowed scholarships to full-tuition scholarships. The table below sets forth the College's tuition and fees for the most recent five fiscal years and the current fiscal year.

TABLE 6
Tuition & Fees

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Tuition	\$21,400	\$22,900	\$24,350	\$25,188	\$25,188	\$25,188
Required Fees	900	900	950	1,000	1,000	1,110
Total Tuition & Fees Per Student	\$22,300	\$23,800	\$25,300	\$26,188	\$26,188	\$26,298

St. Francis College has been committed to expanding its scholarship and grant opportunities. Each year, 99% of the College's students receive financial aid in some form, which includes both institutional scholarships and grants, federal and state grants and/or federal student loans. The College froze tuition for the second year in a row in the 2019-2020 school year to alleviate financial burdens on the student body. In 2019, the average amount of grant aid received by students totaled \$13,281. Additionally, in the same year, 100% of first-time full-time students received some form of financial aid. The following table presents a summary of the College's net tuition revenue and discount rate:

TABLE 7
Tuition & Fees Revenue

	2015	2016	2017	2018	2019
Tuition & Fees	\$57,611,431	\$60,523,072	\$63,484,419	\$58,693,266	\$61,696,149
College Scholarships	18,432,938	20,727,859	22,100,106	23,078,355	28,954,631
Federal Financial Assistance	298,709	301,015	335,220	307,192	432,753
Net Tuition & Fees	38,879,784	39,494,198	41,049,093	35,307,719	32,308,765
FTE Enrollment	2,492	2,399	2,388	2,098	2,339
Institutional Discount Rate	32.51%	34.75%	35.34%	39.84%	47.63%

Athletics and Student Services

St. Francis College is a member of the Northeast Conference and sponsors 21 NCAA Division I intercollegiate athletic teams. Students who meet both St. Francis College and NCAA eligibility requirements are able to compete. St. Francis College has men's teams in basketball, cross-country, golf, soccer, swimming and diving, tennis, indoor track, outdoor track, and water polo. Women compete in basketball, bowling, cross-country, golf, soccer, swimming and diving, tennis, indoor track, outdoor track, water polo and volleyball. The College also provides dining facilities, a bookstore, and student health, career development and counseling services. There is also a wide variety of student activities, such as clubs and organizations, designed to be responsive to the varied tastes and interests of the College's student body.

Competition

With annual tuition of approximately \$25,188 and an institutional discount rate of approximately 48% for fiscal year 2019, the College is positioned as an affordable liberal arts institution. In addition, a significant percentage of the current student population is eligible for Federal grants and loans and New York State grants.

Federal Pell grants averaging \$2,625 per student and New York State Tuition Assistance Program (TAP) grants averaging \$1,692 per student were awarded to individual students based upon financial need for 2018-2019.

The College is ranked #280 on *Forbes'* 2019 list of *America's Best Value Colleges*, #23 on *US News & World Report's Regional Universities North (2020)*, #127 on *US News & World Report's Top Performers on Social Mobility (2020)*, and #11 on *US News & World Report's Best Colleges for Veterans (2020)*.

TABLE 8
Tuition and Fees Comparison (2019-2020)

College	Approximate Tuition and Fees
Fordham University	\$54,000
Hofstra University	\$48,000
Pace University	\$46,000
St. John's University	\$43,000
Adelphi University	\$41,000
Manhattanville College	\$40,000
Iona College	\$40,000
Long Island University (Brookville)	\$38,000
St. Francis College	\$26,000
Mercy College	\$20,000

Facilities

Owned and Leased Facilities. Since the 1960s, five buildings have comprised the St. Francis College campus. These buildings total approximately 311,615 gross square feet located within one city block, each accessed via a single public entrance that faces Remsen Street on the north side of the block. Only the Residence Building, referred to below, which faces Joralemon Street on the south side of the campus, has a separate entrance. The Physical Education Building opened in 1972. The Science Building and the Residence Building were completed in 1968. The Arts Building, which formerly served as the main office of the Brooklyn Union Gas Company, was constructed in 1912 and is a landmark through the New York City Landmarks Preservation Commission. The College owns the five buildings described below.

- *Science Building:* a six-story structure that houses classrooms and laboratories for the study of biology, chemistry, physics, and psychology. This facility also includes a greenhouse and contains the offices of the science and psychology faculty and a research laboratory for the science faculty. This facility also includes the College's information technology server room/ main data frame (MDF) and computer labs. The ground floor houses the Callahan Conference Center, a multi-purpose meeting and event facility, and Founders Hall, an auditorium that seats 300 people. A fitness center, constructed in 2007, is located in the basement of this facility. An escalator complex serves as the primary means of inter-floor movement in this building. The campus freight elevator is also situated in this facility.
- *Arts Building:* a seven-story facility that contains the McArdle Student Center and Gorman Dining Hall, classrooms and seminar rooms. This building also houses the administrative offices, several departmental offices, and a chapel. Four elevators provide the primary means of access in the building. The aforementioned escalator complex is also easily accessible from this building.
- *Physical Education Building:* contains two gymnasiums (including the Genovesi Center) where physical education courses are taught and a wide range of intramural athletic activities take place. These facilities are also home to the College's men's and women's NCAA Division I intercollegiate basketball and volleyball programs. The Athletic Department's offices are also located within this building. Beneath the gyms on the lower level is a 25-yard swimming pool, a team trainer's rehabilitation center, office space, locker rooms, and ancillary gymnasium areas.

The main gymnasium is accessed through the main lobby on the first floor, while the Genovesi Center is reached via a corridor from the fourth floor of the Science Building. An elevator provides a means of inter-floor transit throughout this building.

- *Residence Building:* a seven-story facility that contains some of the College's administrative offices and a significant number of individual faculty offices. Each of these offices can be accessed through both the Science Building and the Arts Building. A single elevator provides inter-floor access within this building.
- *Frank and Mary Macchiarola Academic Center:* The McGarry Library was demolished in 2004 to make possible the construction of the new Academic Center, completed in January 2006. The Academic Center is an approximately 35,000 square foot building that represents the largest addition to the campus since the 1960s. The Academic Center houses facilities that are vital to a top-quality curriculum and related services and have a substantial impact on the quality of education for every student who attends St. Francis College. The Academic Center, and related renovations in adjacent buildings, includes a library, fourteen classrooms and seminar rooms, and a communications arts center including a small theater and a high definition TV studio and related control room. The renovations included the creation of the Volpe lounge and the surrounding student activities area; offices for the Information Technology, Economics and Allied Health Departments; reconstruction of the main lobby and the installation of a security system; a meeting room; bathrooms and lounges on several floors; modernized elevators; and other improvements to the building infrastructure.

The College also leases portions of two buildings. The College leases 252 beds at beds in a residential building located at 97 Columbia Street which serve as student housing. The College also leases the ground floor of a building located at 133 Remsen Street which contains the College's advancement and alumni relations departments.

New Capital Projects. The College will use proceeds of the Series 2020A Bonds to finance tax-exempt eligible portions of certain Information Technology projects and Infrastructure projects scheduled to occur through fiscal year 2023. Information Technology projects – including server replacement, laptop replacement, digitization, and services to support online learning – total \$4.4 million, of which \$3 million is being financing. Infrastructure projects – including furniture and fixtures – total \$1.7 million, of which \$730,000 is being financed with proceeds of the Series 2020A Bonds.

Landmark Status. 180 Remsen Street, block 255 lot 36 is a 73,000 square foot building that is utilized by St. Francis College for academic and administrative purposes. The College understands that the façade of this building, formerly known as the Brooklyn Union Gas Company Headquarters was registered as a landmark by the Landmarks Preservation Committee of the City of New York on May 10, 2011.

FINANCIAL STATEMENT INFORMATION

Summary Financial Statements

The College's financial statements are prepared in accordance with generally accepted accounting principles for colleges and universities. The College maintains its accounts on the accrual basis and segregates them among asset classes to assure compliance with any restrictions placed upon their utilization by a donor, a funding agency or by the College itself, and to appropriately match financial resources with related expenses.

The following Statement of Activities and Statements of Financial Position for the six fiscal years ending June 30, 2019 should be read in conjunction with the financial statements for the fiscal year ended June 30, 2019 and the related notes included in Appendix B to the Limited Offering Memorandum, which more fully set out accounting policies.

Accounting Standards Update No. 2016-14

In August 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (“ASU 2016-14”). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as “net assets without donor restrictions” and “net assets with donor restrictions”;
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring that all not-for-profits present an analysis of expenses by function and nature in a separate statement or in the notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and,
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

The College adopted ASU 2016-14 as of and for the year ended June 30, 2019. Accordingly, the College’s resources are classified and reported based upon the existence or absence of donor-imposed restrictions, as follows:

- *Without Donor Restrictions* - net assets that are not subject to donor-imposed restrictions and, therefore, are available to meet the College’s objectives. Net assets without donor restrictions may also be designated by the College’s Board of Trustees.
- *With Donor Restrictions* - net assets that are subject to donor-imposed restrictions that either expire with the passage of time, can be fulfilled and removed by the actions of the College pursuant to those restrictions. In addition, net assets with donor restrictions also include net assets whereby the respective donors have stipulated that the corpus contributed be invested and/or maintained in perpetuity. Income earned from these investments is available for expenditures according to restrictions, if any, imposed by donors.

Information for fiscal years 2018 and 2019 is presented as required under ASU-2016-14 in Table 9B and Table 10B.

TABLE 9A
Statement of Activities for Fiscal Years 2014-2018

	2014	2015	2016	2017	2018⁽¹⁾
Operating Revenues and Support					
Student tuition and fees	\$54,806,899	\$57,611,431	\$60,523,072	\$63,484,419	\$58,693,266
College scholarships	(17,807,874)	(18,432,938)	(20,727,859)	(22,100,106)	(23,078,355)
Federal financial assistance	(293,796)	(298,709)	(301,015)	(335,220)	(307,192)
Net tuition and fees	36,705,229	38,879,784	39,494,198	41,049,093	35,307,719
Government appropriations	505,554	511,945	519,848	500,368	587,148
Gifts and grants	2,339,153	4,027,928	2,988,504	2,283,992	3,764,317
Investment return used for operations	3,786,873	3,666,017	3,464,781	3,508,012	3,586,215
Quasi-endowment funds used for operations	-	-	-	-	5,150,000
Other	1,964,496	2,185,900	2,131,937	2,224,742	2,196,136
Net assets released from restrictions	-	-	-	-	-
Total operating revenues and support	<u>\$45,301,305</u>	<u>\$49,271,574</u>	<u>\$48,599,268</u>	<u>\$49,566,207</u>	<u>\$50,591,535</u>
Operating Expenses					
Instruction	18,715,528	19,639,519	19,258,902	19,881,276	20,031,492
Academic support	4,709,478	4,743,401	4,860,100	5,109,845	5,497,888
Student services	11,008,069	10,814,378	11,634,339	12,449,495	13,154,626
Institutional support	11,575,518	12,323,352	12,984,876	13,737,684	14,008,666
Total operating expenses	<u>\$46,008,593</u>	<u>\$47,520,650</u>	<u>\$48,738,217</u>	<u>\$51,178,300</u>	<u>\$52,692,672</u>
Change in net assets from operating activities	<u>(\$707,288)</u>	<u>\$1,750,924</u>	<u>(\$138,949)</u>	<u>(\$1,612,093)</u>	<u>(\$2,101,137)</u>
Nonoperating Activities					
Gifts and private grants	1,018,336	954,885	180,855	2,711,903	3,924,014
Campaign expenses	(666,480)	(753,918)	(686,034)	(761,905)	(943,299)
Capital project expenses	(310,759)	(585,120)	(463,371)	(280,748)	(1,016,057)
Investment return in excess of amounts in support of operations	6,230,155	(2,522,326)	(3,624,763)	4,540,769	1,972,855
Quasi-endowment funds used to support operations	-	-	-	-	(5,150,000)
Early retirement program	(303,168)	(613,083)	(609,406)	(620,243)	(1,310,574)
Gain on sale of fixed assets	718,656	-	-	-	-
Change in net assets from nonoperating activities	<u>\$6,686,740</u>	<u>(\$3,519,562)</u>	<u>(\$5,202,719)</u>	<u>\$5,589,776</u>	<u>(\$2,523,061)</u>
Change in net assets	<u>\$5,979,452</u>	<u>(\$1,768,638)</u>	<u>(\$5,341,668)</u>	<u>\$3,977,683</u>	<u>(\$4,624,198)</u>
Net assets, beginning of year	<u>\$95,613,386</u>	<u>\$101,592,838</u>	<u>\$99,824,200</u>	<u>\$94,482,532</u>	<u>\$98,460,215</u>
Net assets, end of year	<u><u>\$101,592,838</u></u>	<u><u>\$99,824,200</u></u>	<u><u>\$94,482,532</u></u>	<u><u>\$98,460,215</u></u>	<u><u>\$93,836,019</u></u>

⁽¹⁾ The College adopted ASU 2016-14 as of and for the year ended June 30, 2019. Information for fiscal year 2018 is presented as required under ASU-2016-14 below in Table 9B. See discussion above under “Accounting Standards Update No. 2016-14.”

TABLE 9B
Statement of Activities for Fiscal Years 2018 (reclassified) and 2019⁽¹⁾⁽²⁾

	2018	2019
Revenues and Support		
Student related revenue	\$35,307,719	\$32,308,765
Government appropriations	587,148	683,244
Gifts and grants	7,688,331	4,098,767
Investment return	5,559,070	6,867,736
Other	2,196,136	2,321,080
Net assets released from restrictions	-	-
Total revenues and support	<u>\$51,338,404</u>	<u>\$46,279,592</u>
Expenses		
Instruction	15,477,760	15,108,996
Academic support	4,151,365	4,642,088
Student services	10,905,717	11,184,377
Institutional support	13,656,469	13,504,635
Operation and maintenance of plant	5,939,949	5,864,465
Interest expense	1,477,217	1,539,203
Depreciation expense	4,354,123	4,709,835
Total expenses	<u>\$55,962,600</u>	<u>\$56,553,599</u>
 Change in net assets	 (\$4,624,196)	 (\$10,274,007)
 Net assets, beginning of year	 <u>\$98,460,215</u>	 <u>\$93,836,019</u>
Net assets, end of year	<u>\$93,836,019</u>	<u>\$83,562,012</u>

⁽¹⁾ The College adopted ASU 2016-14 as of and for the year ended June 30, 2019. Information for fiscal years 2018 and 2019 is presented as required under ASU-2016-14. See discussion above under “Accounting Standards Update No. 2016-14.”

⁽²⁾ The College also adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, Revenue from Contracts with Customers (“ASC 606”) as of and for the fiscal year ended June 30, 2019. One of the key provisions under Topic 606 requires an entity to combine two or more contracts entered into at or near the same time with the same customer and account for the contracts as a single contract if certain criteria are met. The College evaluated such criteria and determined that the contracts it has with its students for tuition and fees, housing, meals and scholarships should be combined into a single contract. Accordingly, such revenues were reported as student related revenue, net on its audited statements of activities for the fiscal years ended June 30, 2019 and 2018.

TABLE 10A
Statements of Financial Position for Fiscal Years 2014-2018

	2014	2015	2016	2017	2018⁽¹⁾
Assets					
Cash and cash equivalents	\$1,789,499	\$1,504,695	\$1,789,334	\$2,284,460	\$710,369
Receivables					
Student accounts, net	1,506,146	1,360,067	1,519,317	1,934,462	2,108,347
Government grants	39,866	74,197	51,990	-	-
Accrued Interest	24,676	-	-	-	-
Grants and other receivables	532,839	830,190	1,000,139	1,280,408	1,240,391
Contributions, net	2,369,480	3,189,513	2,652,815	2,302,758	3,034,661
Student notes, net	607,399	604,614	556,324	548,023	539,321
Prepaid expenses and other assets	767,341	1,405,579	1,540,087	503,870	634,964
Investments	77,618,460	74,729,255	71,009,106	75,827,352	74,008,715
Funds held by trustee	1,633,110	613,786	566,733	576,787	616,277
Cash restricted for loan programs	37,998	53,122	35,326	39,619	40,993
Property, equipment and collections, net	62,758,698	60,452,974	57,649,676	55,911,311	54,155,408
Total assets	<u>\$149,685,512</u>	<u>\$144,817,992</u>	<u>\$138,370,847</u>	<u>\$141,209,050</u>	<u>\$137,089,446</u>
Liabilities and Net Assets					
Liabilities					
Accounts payable and accrued expenses	4,998,661	4,018,964	3,881,593	4,951,048	6,752,688
Deferred revenue and student deposits	915,996	892,499	889,532	733,192	775,020
Line of credit facility	-	-	-	-	-
Accrued interest payable	457,126	318,811	315,711	311,549	308,098
Deferred contract revenue	3,566,810	2,964,789	2,362,767	1,760,745	1,158,723
Long-term debt, net	37,594,500	36,229,207	35,928,190	34,481,793	33,750,815
Refundable loan program	559,581	569,522	510,525	510,508	505,083
Total liabilities	<u>\$48,092,674</u>	<u>\$44,993,792</u>	<u>\$43,888,318</u>	<u>\$42,748,835</u>	<u>\$43,250,427</u>
Commitments and contingencies					
Net Assets					
Unrestricted					
Available for operations	6,971,928	7,432,606	7,731,971	8,504,737	10,164,475
Quasi-endowment	35,715,321	32,754,641	28,957,468	30,396,489	24,451,455
Investment in plant	26,797,308	24,837,552	22,288,219	22,006,305	20,925,432
Campaign	661,233	117,209	173,412	127,338	295,598
Renewals and replacements	9,117,502	9,597,395	9,618,399	7,469,641	5,747,681
Plant projects	766,263	1,769,692	1,585,888	3,375,197	3,141,000
Institutional loans	110,137	111,378	104,000	104,701	100,901
Total unrestricted net assets	<u>\$80,139,692</u>	<u>\$76,620,473</u>	<u>\$70,459,357</u>	<u>\$71,984,408</u>	<u>\$64,826,542</u>
Temporarily restricted	9,904,034	11,075,397	11,610,002	13,163,598	15,013,028
Permanently restricted	11,549,112	12,128,330	12,413,173	13,312,209	13,996,449
Total net assets	<u>\$101,592,838</u>	<u>\$99,824,200</u>	<u>\$94,482,532</u>	<u>\$98,460,215</u>	<u>\$93,836,019</u>
Total liabilities and net assets	<u>\$149,685,512</u>	<u>\$144,817,992</u>	<u>\$138,370,850</u>	<u>\$141,209,050</u>	<u>\$137,086,446</u>

⁽¹⁾ The College adopted ASU 2016-14 as of and for the year ended June 30, 2019. Information for fiscal year 2018 is presented as required under ASU-2016-14 below in Table 10B. See discussion above under “Accounting Standards Update No. 2016-14.”

TABLE 10B
Statements of Financial Position for Fiscal Years 2018 (reclassified) and 2019⁽¹⁾

	2018	2019
Assets		
Cash and cash equivalents	\$710,369	\$375,148
Receivables		
Student accounts, net	2,108,347	2,320,061
Contributions, net	3,034,661	474,809
Student notes, net	539,321	492,061
Grants and other receivables	1,240,391	458,549
Prepaid expenses and other assets	631,964	795,227
Investments	74,008,715	70,395,007
Funds held by trustee	616,277	609,804
Cash restricted for loan programs	40,993	81,767
Property, equipment and collections, net	54,155,408	53,486,991
Total assets	<u>\$137,086,446</u>	<u>\$129,489,424</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	7,060,786	6,205,348
Deferred revenue and student deposits	775,020	671,728
Line of credit facility	-	5,000,000
Deferred contract revenue	1,158,723	556,701
Long-term debt, net	33,750,815	32,984,837
Refundable loan program	505,083	508,798
Total liabilities	<u>\$43,250,427</u>	<u>\$45,927,412</u>
Commitments and contingencies		
Net Assets		
Unrestricted		
Available for operations	10,164,475	10,431,949
Quasi-endowment	24,451,455	16,161,620
Investment in plant	20,925,432	21,069,478
Campaign	295,598	394,261
Renewals and replacements	5,747,681	891,467
Plant projects	3,141,000	3,141,000
Institutional loans	100,901	104,700
Total unrestricted net assets	<u>\$64,826,542</u>	<u>\$52,194,475</u>
Without restrictions	64,826,542	52,194,475
With restrictions	29,009,477	31,367,537
Total net assets	<u>\$93,836,019</u>	<u>\$83,562,012</u>
Total liabilities and net assets	<u>\$137,086,446</u>	<u>\$129,489,424</u>

⁽¹⁾ The College adopted ASU 2016-14 as of and for the year ended June 30, 2019. Information for fiscal years 2018 and 2019 is presented as required under ASU-2016-14. See discussion above under “Accounting Standards Update No. 2016-14.”

The forecasted operating budget for fiscal year 2020 is provided below, as well as historical results for fiscal years 2018 and 2019. Revenues for operations are provided by a variety of sources: tuition and fees, contributions, grants and contracts, authorized spending of endowment income and gains, and income from auxiliary operations.

TABLE 11
Operating Budget

	Actual 06/30/2018	Actual 06/30/2019	Forecast 06/30/2020
Revenues:			
Student tuition and fees	\$58,693,266	\$61,696,149	\$69,487,128
Government appropriations	587,148	683,244	960,612
Gifts and private grants	1,920,203	2,106,906	4,730,521
Investment return used for operations	3,586,215	3,684,480	11,957,522
Other sources	2,196,136	2,321,080	2,236,852
Total operating revenues	\$66,982,968	\$70,491,859	\$89,372,635
Educational & general expenditures:			
Instructional	\$13,392,064	\$14,100,729	\$12,051,132
Academic support	3,974,972	4,383,537	4,608,528
Student services	10,581,605	10,796,388	9,803,352
Operation and maintenance of plant	4,739,332	5,656,631	5,720,752
General administration	-	-	-
Institutional support	11,926,261	13,364,879	11,465,391
Student aid	23,385,547	29,387,384	35,009,327
Fringe benefits	6,601,219	7,138,734	7,864,637
Debt service (Interest Expense)	1,477,217	1,539,203	2,421,238
Total expenditures	\$76,078,217	\$86,367,485	\$88,944,357
Change in net assets from operations	\$(9,095,249)	\$(15,875,626)	\$428,278
Board approved transfers of operating surplus:			
Renewals and replacement fund			
Quasi-endowment fund	5,150,000	8,500,000	11,957,522
Restricted endowment fund			
Total transfers	\$5,150,000	\$8,500,000	\$11,957,522

Management's Discussion and Analysis

The following summaries and discussion of financial matters should be read in conjunction with the Financial Statements of the College, related notes, and independent auditor's report included as Appendix B to the Limited Offering Memorandum.

Competitive Position

St. Francis College has a proud heritage of preparing students to be leaders in their fields and to become contributing members of society. With a mission founded on the ideals and teachings of St. Francis of Assisi, the College plays a vital role in the community and in the lives of its students and alumni. The College embraces a history rooted in Catholic and Franciscan tradition, specifically serving a wide number of first generation college students and providing continuing education services to members of the community at an affordable price. This focus on access and affordability differentiates the College from other academic institutions in New York City as well as throughout New York State.

St. Francis College utilizes a rigorous planning process to ensure that the resources and infrastructure of the College are aligned with and are sufficient to fulfill its mission and goals. The College continuously assesses and improves its programs and services, in order to ensure the College can respond effectively to opportunities and challenges. St. Francis College has charted a steady course in a constrained budget environment, prioritizing students and maximizing the contribution of the College to developing the future workforce of New York and well beyond.

Administration and Strategic Investment in Academic Programs

In recent years, at the direction of the Board of Trustees, the College has welcomed a new President and Chief Financial Officer, appointed a new Vice President for Academic Affairs, and created new cabinet level position of Vice President of Internationalization and Strategic Initiatives. This change in leadership at the College, at the direction of the Board of Trustees, has positioned the College to respond to the increasingly challenged landscape for higher education, particularly in New York State.

The College continues to aggressively invest in new academic programs and strategic initiatives to promote student success. These initiatives include but are not limited to the following steps:

- Developing a comprehensive internationalization strategy, drawing on the College's location in New York City, with new initiatives focused on international student recruitment, international academic partnerships, and student mobility. There has also been a focus on hiring of new staff for internationalization, marketing, travel, and student support.
- Building out the College's online program: Given the increasing demand for online education, the College plans to capitalize on its online platform to grow and support its online student population and offer new online and hybrid graduate/undergraduate programs.
- Enhancing internal student engagement through the development of a Coordinated CARE TEAM focused on degree completion. Key steps include the hiring of an Assistant Director, Academic Probation and Recovery, an Assistant Director, Athletic Student Support, an early intervention mental health and well-being counselor, development of a pathways program, and hiring a coordinator for a new Student Leadership Development Program.

As part of the ongoing strategic initiatives and investment in new academic programs, the College's Board has authorized a series of draws on the institution's endowment. These totaled \$5.2 million in fiscal year 2018 and \$8.5 million in fiscal year 2019. \$3.5 million of the fiscal year 2019 endowment draw (and budget) was strategic investment in new programs (specifically in business, health sciences, criminal justice, education and psychology), as well as expanding capabilities in fundraising, development, and marketing.

Accolades

The College believes that it delivers exceptional value to students. St. Francis College consistently ranks on *Forbes* list of America's Best Value Colleges, *US News & World Report's* list of college graduates with the lightest debt load and *Money's* list of Best Colleges for Your Money. The College holds additional high ranking positions on lists from *US News & World Report* including:

- #23 Regional Colleges North (2020)
- #11 Best Colleges for Veterans (2020)
- #127 Top Performers on Social Mobility (2020)

Revenue and Net Income Trends

The College is an enrollment driven institution focused primarily on undergraduate education and has various revenue streams that revolve mainly around student enrollment and instruction. During the period between fiscal year 2015 and fiscal year 2019, while growth in total revenues from tuition and fees increased by \$4.1 million, net tuition decreased \$6.6 million, or 16.9%, from \$38.9 million to the current year \$32.3 million, driven primarily from an increase in scholarship funding of \$10.5 million.

As noted earlier, the College seeks to position itself as an affordable liberal arts institution and continues to provide a quality education at a price its student population can afford. Higher education in Northeastern United States has been demographically challenged, with a declining number of high school graduates, which has pressured enrollment at the College. Furthermore, and specific to the decline in applications in 2018-2019, has been pressures unique to New York State including the "Excelsior Scholarship" program – which allows middle-class families and individuals making up to \$125,000 per year to qualify to attend college tuition-free at all CUNY and SUNY two- and four-year colleges in New York State.

The College's enrollment strategy – which is to expand enrollment by increasing acceptances, engaging a wider population of students, and expanding educational offers – will allow the institution to capture greater market share in New York City. The College's tuition remains approximately 37% more affordable than the average of comparable institutions in the New York City area. The aforementioned investment by the Board of Trustees to support new strategic initiatives, including Internationalization and Graduate Studies, continues to position the College, allowing for enhanced revenue opportunities as enrollment in those cohorts expands.

Another driver of total revenue is charitable gifts and private grants. Donor giving increased from \$2.3 million in fiscal year 2014 to \$2.7 million in fiscal year 2019, or \$400,000. This 15.6% increase is an average of the past five fiscal years; it should be noted the College received an unanticipated \$1.25 million bequest in April of 2020 that will only bolster the existing endowment.

Budgeting and Financial Controls

Financial planning is key to the financial stability, growth and sustainability of St. Francis College. The College continues to maintain financial stability by exercising fiscal prudence and sound judgment in its financial decisions. The College's financial plan and allocation of resources are driven by the institutional plan adopted in 2019. In the challenging higher education environment, the College recognizes the importance of seeking funding from external sources and operating in ways that are efficient and cost-effective in order to minimize increases in tuition. The annual budget process provides the College with a framework to measure success against strategic goals and determine the resources required to achieve these goals.

Fundraising and Annual Giving

Maintaining the College's endowment through fundraising events and other activities is a challenge faced by the College and continues to rank as a priority for leadership. Innovative ideas have been utilized to enhance fundraising efforts. One of the campaign highlights is the Robert J. McGuire Scholarship. It was established in 2015 to support St. Francis College's mission of making possible the gift of education and opportunity for the College's future leaders. Thanks to the overwhelming generosity of Mr. Fred Wilpon, Chairman and CEO of the New York Mets, and his wife Judy, as well as other generous McGuire benefactors, the program has already provided more than \$1.3 million in scholarships to 60 students. The program provides youth economic opportunities, offers workforce readiness, encourages entrepreneurial thinking and certainly helps the recipients acquire the knowledge, skills and tools needed to become successful community and business leaders.

Strategic Growth and Enrollment

The College has experienced growth in enrollment since 2018-2019, reflecting an increase in total full-time enrollment from 2,339 in fall 2018 to 2,418 in fall 2019. This increase is the result of many factors, such as: (1) expanded and more targeted recruiting efforts and expansion of the institutional financial aid program to core students, (2) enhanced academic and retention programs, and (3) improved technology and campus facilities. Management expects this trend to continue in fall 2020 and onward. The College's discount rate of 47.63% for fiscal year 2019 reflects the College's efforts to provide financial assistance to a majority of its students in the form of scholarships and grants.

The enhanced enrollment has helped to offset lower fundraising revenues and earnings on the endowment experienced as a result of the current economic conditions. The Board has approved an increase in the spending rate of 5.16% for fiscal year 2020 to provide for the operations of the College.

The College has plans for reorganization and re-branding of different academic areas, which potentially include the organization into separate "Divisions" or "Schools" which reflect growing trends in higher education and the competitive job market. Drawing on the College's current strengths, this might include a School of Business, with plans to create new programs for Social Entrepreneurship, Institute for Non-Profit Management, and Leadership and Management. The College also seeks to add undergraduate programs in cyber-security, data science, and exercise science, and graduate programs in education, nursing, and business. Hence, the College plans to focus investment in faculty in the following programs: accounting, nursing, nursing education, education, special education, exercise science, health sciences, neuroscience, psychology, and mathematics.

The College's strategic initiative to promote academic excellence and innovation, which is expected to be presented to the Board for approval in August 2020, includes additional programming, faculty development, increased enrollment across targeted sectors and the reimagining of student co-curricular and professional development experience centers and focuses on the following areas for the next 2-3 years:

1. Promote Academic Excellence and Innovation
2. Establish a Center for Teaching and Learning (CTL)
3. Cohere strategy for CTL and Institutes
4. Promote community partnerships, articulation agreements
5. Support Internalization Strategy
6. Increase Retention and Graduation Rates

The College has entered into a Master Services Agreement with Relearnit, Inc. for development, marketing, student retention and advising for Bachelor of Science in Exercise and Movement (the “BSEM”), and a feasibility study for certain master’s programs. The contract provides that 33% of total student revenue attributed to the BSEM is to be paid to Relearnit, Inc. as a fee. The BSEM has been approved by the New York State Education Department; the College has submitted a substantive change application to Middle States and anticipates a decision in June 2020. Approval by Middle States will enable the College to launch this program with Relearnit, Inc. in Fall 2020. A feasibility study for a Master’s of Science Degree in Exercise Science will be presented for faculty approval in Summer 2020

Fundraising and Alumni Relations

The Office of Development’s primary goal is to raise funds through private gifts to support a variety of the College’s operational, capital and endowment needs. One of the chief responsibilities of the Office of Development is overseeing the Annual Fund. Annual Fund support comes largely through gifts from the College’s alumni.

The College also takes part in Giving Tuesday, on which St. Francis College alumni, faculty, staff, students, and friends are asked to donate to the College’s Fund for St. Francis, the College’s annual fundraising campaign, and to spread the word for others to do the same. In 2019, the College’s fifth year participating, the campaign was supported by an anonymous matching-dollar commitment of up to \$50,000.

TABLE 12
Private Gifts and Grants

	2014	2015	2016	2017	2018	2019
Unrestricted operating	\$1,640,106	\$1,975,796	\$1,472,879	\$1,445,739	\$1,920,203	\$2,474,493
Restricted operating	996,329	2,427,799	1,411,637	1,386,279	3,319,077	1,054,428
Capital campaign	2,000	-	-	1,264,841	1,764,841	242,767
Endowment	719,054	579,218	284,843	899,036	684,240	327,079
Total Private Gifts and Grants Revenue	\$3,357,489	\$4,982,813	\$3,169,359	\$4,995,895	\$7,688,361	\$4,098,767
Total Contributions Receivable						
Campaign pledges*	\$2,477,985	\$3,549,583	\$3,603,883	\$3,279,007	\$3,373,868	\$1,430,924

*Pledge balance as of year end presented before discount to present value and allowance for uncollectible amounts

Grants

The primary sources for operating grants are the State-funded Bundy Aid and the Federal Department of Education student aid programs. In addition, other operating Federal and State grants have funded the purchase of information technology equipment and construction of facilities to support student services and academic programs.

TABLE 13
Government Grants and Contracts

	2014	2015	2016	2017	2018	2019
Operating						
<u>New York State</u>						
Bundy Aid Program	\$160,463	\$152,353	\$141,429	\$146,871	\$162,369	\$148,580
State Grants	5,921	6,131	6,500	6,500	-	6,638
<u>New York City</u>						
Department of Aging*	67,390	53,900	73,003	(4,637)	94,934	76,117
<u>Federal Grants</u>						
Department of Education	7,905	8,415	9,180	18,743	6,758	20,655
Total Operating Grants	\$241,679	\$220,799	\$230,112	\$167,477	\$264,060	\$251,990
Capital Grants						
New York State	-	-	-	402,826	872,849	3,675
Total Capital Grants	-	-	-	\$402,826	\$872,849	\$3,675

**FY17 due to timing of receipt of grant funds*

Investment Policy

In accordance with the College's major strategic plan goal of enhancing resources, a major source of the required supplemental revenue is and will continue to be the College's investments. In recognition of this, the investment policy objective and target asset allocation is to produce the maximum total return consistent with prudent management and preservation of principal. The College's assets are governed by an investment policy adopted by the Board. The objective of the investment policy is to invest in such a manner as to create a stream of investment returns which considers the long and short-term needs of the College in carrying out its educational purposes.

The spending rate policy was designed to provide a predictable flow of funds to support operations and to preserve the real value of the College's investment portfolio over time. The calculation is based on the average market value of investments for the previous twenty quarters. Any investment income over the spending policy increases net assets, is retained to support operations in future years – and to offset potential market declines and inflation.

As part of the ongoing strategic plan and investment in new academic programs and initiatives, the College's Board has authorized a series of draws on the institution's endowment. These totaled \$5.2 million in fiscal year 2018 and \$8.5 million in fiscal year 2019.

\$3.5 million of the fiscal year 2019 endowment draw (and budget) was strategic investment in new programs (specifically in business, health sciences, criminal justice, education and psychology), as well as expanding capabilities in fundraising, development, and marketing.

An additional \$3.87 million of the fiscal year 2020 budget reflects similar strategic investments (some of which are delayed, due to COVID, as discussed further below). Further strategic investment are planned, but are fully within the discretion of the administration and Board to pause based on operating results.

The Finance Committee of the Board, based on the advisement of the College's investment portfolio manager and custodian reviews the asset allocation periodically and rebalances the portfolio in line with the investment policy when necessary by reallocating funds among asset managers or adding asset classes.

A summary of investment securities, at June 30, 2019, 2018, and 2017, is as follows:

TABLE 14
Investment Securities

	2019 Fair Value	2018 Fair Value	2017 Fair Value
Cash held for investments	\$0	\$2,200,000	\$0
Money market funds	734,955	134,004	270,995
Equity mutual funds	14,446,834	21,774,671	25,427,891
Fixed income mutual funds	14,265,089	8,838,826	10,445,706
Private real estate fund	946,595	2,213,228	4,372,408
Hedge funds	40,001,534	38,847,986	35,310,352
Total	\$70,395,007	\$74,008,715	\$75,827,352

As of April 30, 2020, the fair value of investment securities was \$53,899,717. See "COVID-19" herein.

The annual investment returns for fiscal year 2014 through fiscal year 2019 were as follows:

TABLE 15
Investment Securities

	2014 Fair Value	2015 Fair Value	2016 Fair Value	2017 Fair Value	2018 Fair Value	2019 Fair Value
Cash held for investments	\$0	\$0	\$3,454,800	\$0	\$2,200,000	\$0
Money market funds	3,041,306	822,692	3,237,543	270,995	134,004	734,955
Equity mutual funds	41,553,362	34,495,364	21,583,354	25,427,891	21,774,671	14,446,834
Fixed income mutual funds	13,912,526	15,113,130	9,418,760	10,445,706	8,838,826	14,265,089
Private debt	1,624,658	2,221,803	-	-	-	-
Private real estate fund	5,688,683	6,200,705	5,372,935	4,372,408	2,213,228	946,595
Hedge funds	11,797,925	15,875,561	27,941,714	35,310,352	38,847,986	40,001,534
Total	\$77,618,460	\$74,729,255	\$71,009,106	\$75,827,352	\$74,008,715	\$70,395,007

Outstanding Indebtedness

In December 2014, DASNY issued \$12,585,000 of Series 2014 tax-exempt bonds (the "DASNY 2014 Bonds") on behalf of the College for the purpose of refunding the College's existing tax-exempt Series 2004 bonds. The DASNY 2014 Bonds were sold directly to a bank that provided a ten-year commitment to hold the bonds at a fixed rate of 2.72%. The outstanding principal amount of the DASNY 2014 Bonds was \$11.265 million as of June 30, 2019. The proceeds of the Series 2020A Bonds will be applied to refund and defease the DASNY 2014 Bonds.

In August 2010, DASNY issued \$25,000,000 of tax-exempt bonds (the “DASNY 2010 Bonds”) on behalf of the College. The outstanding principal amount of the DASNY 2010 Bonds was \$22.555 million as of June 30, 2019. The proceeds of the Series 2020B Bonds will be applied to refund and defease the DASNY 2010 Bonds.

The College anticipates that the PFA 2020 Bonds will be issued on or about the date of issuance with the Series 2020 Bonds, as described in “INTRODUCTION” in this Limited Offering Memorandum.

In September 2019, the College terminated a working capital line of credit with T.D. Bank, which was replaced by a short term note with Brown Brothers Harriman in the amount of \$8 million. The note is secured on margin against the unrestricted liquid investments of the College’s endowment and bears a variable rate of interest as a spread to LIBOR. There is no maturity date.

In December 2019, the College secured a working capital line of credit with Popular Bank in the amount of \$10 million. The line is currently fully drawn, and cash secured by line proceeds in a depository account of the College. The line has a one year term, with three year commitment period, and requires the College to maintain 250 days cash on hand as well as a minimum of \$40 million in cash and investments. Popular Bank has committed that capacity on the line may be expanded to \$75 million were a commensurate amount placed on deposit with the Bank, were the College’s cash and investments to reach a minimum of \$140 million, and were a parity lien on revenues to be provided. The line bears a variable rate of interest as a spread to LIBOR.

In April 2020, the College applied for and was approved for a \$5.516 million Paycheck Protection Program (“PPP”) loan through the Small Business Administration program authorized through the CARES Act. Under the terms of the program, the College expects the majority of the loan to be converted to a forgivable grant. The loan has a two year term, with repayment deferred for 6 months. At the end of 6 months, were any or all of the loan not forgiven, repayment will occur over an 18 month period, with an interest rate of 1.00% on the outstanding balance after forgiveness.

Pension Plan

Substantially all full-time employees of the College are covered under a defined contribution pension plan established with Teachers Insurance and Annuity Association and College Retirement Equities Fund. The College’s contribution to the pension plan is based on specified percentages of each employee’s annual salary. Pension expense for fiscal years 2019, 2018 and 2017 was \$1,594,569, \$1,682,109 and \$1,666,978, respectively. There is no unfunded liability.

Insurance

The College maintains casualty and liability insurance in amounts which it deems reasonable and prudent.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization. The Governor of the State of New York, the Mayor of the City of New York, and the County Executive of both Suffolk and Nassau Counties have all declared states of emergency in their respective jurisdictions. Since declaring a state of emergency in New York State on March 7, 2020, Governor Andrew M. Cuomo has issued numerous Executive Orders suspending or modifying dozens of state and local laws and has issued numerous directives to aid the state’s response. By order of Governor Cuomo (“New York State on PAUSE”), as of Sunday, March 22, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. Based on metrics established by the State, the State has begun and is expected to continue to lift certain PAUSE restrictions on a regional basis in phases as each region meets the criteria outlined by the Governor to protect public health as businesses reopen. PAUSE restrictions began to be lifted in New York City on June 8, 2020.

With respect to the College’s operations, in an effort to minimize the risk of the spread of COVID-19 on its campus, the College moved to online classes, effective March 18, 2020, and students were, effective on March 25,

2020, no longer permitted in the dormitories, at which time most residential facilities were closed for the remainder of the spring semester. The College is in the process of calculating prorated housing refunds and/or credits for students who left their residence hall rooms, which are estimated to be \$551,000, as well as prorated service and activity fees in the amount of \$617,000. The College is not offering tuition refunds, but provided additional financial support received through the federal emergency aid package known as the “Coronavirus Relief and Economic Security Act” or the “CARES Act” to its most vulnerable students in the amount of \$1,336,630 for expenses related to the disruption of campus operations due to COVID-19. This is in addition to a like amount (\$1,336,630) received directly by the College under the provisions of the CARES Act to be used for costs associated with the significant changes to the delivery of instruction due to COVID-19.

Offices within the College have been asked to identify any revenue savings due to the campus closure to measure net costs. Projects that require resources have been prioritized, and those that can be delayed or implemented in a future fiscal year will result in savings that can be redirected to unexpected costs. The College will offer summer programming that can be completed off-campus and in remote learning formats. Many of the College’s summer offerings were specifically designed for online learning and are routinely offered in that format. The College is considering a range of options for reopening the campus in fall 2020.

There has been no litigation against the College in connection with COVID-19 at this time.

The continued spread of COVID-19 and the continued impact on social interaction, travel, economies and financial markets may adversely impact the College’s finances and operations. The continued spread of COVID-19 and its related impacts may (a) adversely affect the ability of the College to conduct its normal operations and/or may adversely affect the cost of, or revenue derived from, operations, or both, (b) adversely affect financial markets generally and consequently adversely affect the returns on, and value of, the College’s investments and liquidity and (c) adversely affect the secondary market for, and value of, the Series 2020 Bonds. In addition, such factors may limit the sources of liquidity available in ordinary markets, and adversely impact the College’s ability to access capital markets generally. The College is monitoring developments and the directives of federal, state and local officials to determine what additional precautions and procedures may need to be implemented by the College in the event of the continued spread of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on the College finances and operations cannot be fully determined at this time. Other adverse consequences of COVID-19 may include, but are not limited to, decline in net tuition revenue and auxiliary services revenue, decline in demand for college programs that involve travel or that have international connections. While the College has defined and is considering a series of financial mitigation strategies to address many of the known costs of COVID-19, including, **but not limited to**, a staff hiring freeze, no merit-based salary increases for fiscal year 2021, a suspension of non-essential travel and discretionary spending through fiscal year 2021, and a delay in certain capital project spending, the continued risk could adversely impact available financial reserves.

The College has closely monitored enrollment trends for the fall, and the following information is current as of June 10, 2020, and reflects a year over year comparison to the same week in 2019.

- Freshman applications are at 5,316 vs. 3,784 for the same period in 2019, which is a 40% increase.
- Accepted numbers are at 4,574 vs. 2,958 for the same period in 2019, which is a 55% increase.
- Paid deposits are at 548 vs. 349 for the same period in 2019, which is a 57% increase.
- Combined paid and waived deposits are at 728 vs. 594 for the same period in 2019, which is a 23% increase.
- Financial Aid completed packages are at 3,181 vs. 1,932 for the same period in 2019, which is a 65% increase.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF ST. FRANCIS COLLEGE FOR THE FISCAL YEAR ENDED JUNE 30, 2019 (INCLUDING JUNE 30, 2018 COMPARATIVE INFORMATION)

Financial Statements Together with
Report of Independent Certified Public
Accountants

St. Francis College

June 30, 2019 and 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of
St. Francis College:

We have audited the accompanying financial statements of St. Francis College (the "College"), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Francis College, as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



New York, New York
February 10, 2020

St. Francis College
STATEMENT OF FINANCIAL POSITION
June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
ASSETS		
Cash and cash equivalents	\$ 375,148	\$ 710,369
Receivables:		
Student accounts, net	2,320,061	2,108,347
Contributions, net	474,809	3,034,661
Student notes, net	492,061	539,321
Grants and other receivables	458,549	1,240,391
Prepaid expenses and other assets	795,227	631,964
Investments	70,395,007	74,008,715
Funds held by trustee	609,804	616,277
Cash restricted for loan programs	81,767	40,993
Property, equipment and collections, net	<u>53,486,991</u>	<u>54,155,408</u>
Total assets	<u>\$ 129,489,424</u>	<u>\$ 137,086,446</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 6,205,348	\$ 7,060,786
Deferred revenue and student deposits	671,728	775,020
Line of credit facility	5,000,000	-
Deferred contract revenue	556,701	1,158,723
Long-term debt, net	32,984,837	33,750,815
Refundable loan program	<u>508,798</u>	<u>505,083</u>
Total liabilities	<u>45,927,412</u>	<u>43,250,427</u>
Commitments and contingencies		
NET ASSETS		
Without restrictions	52,194,475	64,826,542
With restrictions	<u>31,367,537</u>	<u>29,009,477</u>
Total net assets	<u>83,562,012</u>	<u>93,836,019</u>
Total liabilities and net assets	<u>\$ 129,489,424</u>	<u>\$ 137,086,446</u>

The accompanying notes are an integral part of these financial statements.

St. Francis College

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019, with summarized totals for 2018

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
Revenues and support				
Student related revenue	\$ 32,308,765	\$ -	\$ 32,308,765	\$ 35,307,719
Government appropriations	683,244	-	683,244	587,148
Gifts and grants	2,474,493	1,624,274	4,098,767	7,688,331
Investment return	4,599,104	2,268,632	6,867,736	5,559,070
Other	2,321,080	-	2,321,080	2,196,136
Net assets released from restrictions	1,534,846	(1,534,846)	-	-
	<u>43,921,532</u>	<u>2,358,060</u>	<u>46,279,592</u>	<u>51,338,404</u>
Expenses				
Instruction	15,108,996	-	15,108,996	15,477,760
Academic support	4,642,088	-	4,642,088	4,151,365
Student services	11,184,377	-	11,184,377	10,905,717
Institutional support	13,504,635	-	13,504,635	13,656,469
Operation and maintenance of plant	5,864,465	-	5,864,465	5,939,949
Interest expense	1,539,203	-	1,539,203	1,477,217
Depreciation expense	4,709,835	-	4,709,835	4,354,123
	<u>56,553,599</u>	<u>-</u>	<u>56,553,599</u>	<u>55,962,600</u>
Change in net assets	<u>(12,632,067)</u>	<u>2,358,060</u>	<u>(10,274,007)</u>	<u>(4,624,196)</u>
Net assets, beginning of year	<u>64,826,542</u>	<u>29,009,477</u>	<u>93,836,019</u>	<u>98,460,215</u>
Net assets, end of year	<u>\$ 52,194,475</u>	<u>\$ 31,367,537</u>	<u>\$ 83,562,012</u>	<u>\$ 93,836,019</u>

The accompanying notes are an integral part of this financial statement.

St. Francis College
STATEMENT OF ACTIVITIES
For the year ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Student related revenue	\$ 35,307,719	\$ -	\$ 35,307,719
Government appropriations	587,148	-	587,148
Gifts and grants	5,069,804	2,618,527	7,688,331
Investment return	3,637,771	1,921,299	5,559,070
Other	2,196,136	-	2,196,136
Net assets released from restrictions	2,006,156	(2,006,156)	-
 Total revenues and support	 48,804,734	 2,533,670	 51,338,404
Expenses			
Instruction	15,477,760	-	15,477,760
Academic support	4,151,365	-	4,151,365
Student services	10,905,717	-	10,905,717
Institutional support	13,656,469	-	13,656,469
Operation and maintenance of plant	5,939,949	-	5,939,949
Interest expense	1,477,217	-	1,477,217
Depreciation expense	4,354,123	-	4,354,123
 Total expenses	 55,962,600	 -	 55,962,600
 Change in net assets	 (7,157,866)	 2,533,670	 (4,624,196)
 Net assets, beginning of year	 71,984,408	 26,475,807	 98,460,215
 Net assets, end of year	 \$ 64,826,542	 \$ 29,009,477	 \$ 93,836,019

The accompanying notes are an integral part of this financial statement.

St. Francis College
STATEMENT OF CASH FLOWS
For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Changes in net assets	\$ (10,274,007)	\$ (4,624,196)
Adjustments to reconcile changes in net assets to net cash used in operating activities:		
Depreciation	4,709,835	4,324,124
Uncollectible student accounts and loans receivable	420,642	255,414
Allowance and discount for multi-year pledges	624,858	(637,042)
Amortization of bond discount and issuance costs	44,022	44,022
Donor restricted contributions to endowment	(327,079)	(684,240)
Realized and unrealized gain on investments	(6,867,736)	(5,559,070)
Changes in assets and liabilities:		
Student accounts receivable	(621,690)	(420,992)
Contributions receivable	1,934,994	(94,861)
Grants and other receivables	781,842	40,016
Prepaid expenses and other assets	(163,263)	(128,094)
Accounts payable and accrued expenses	(1,100,711)	1,798,190
Deferred revenue and student deposits	(103,292)	41,828
Deferred contract revenue	(602,022)	(602,022)
Net cash used in operating activities	<u>(11,543,607)</u>	<u>(6,246,923)</u>
Cash flows from investing activities		
Proceeds from maturities and sale of investments	21,523,450	13,477,707
Purchases of investments	(11,042,006)	(6,100,000)
Collections of loans to students	36,594	51,023
Advances of loans to students	-	(50,628)
Purchase of property, plant, and equipment	(4,041,418)	(2,568,221)
Net cash provided by investing activities	<u>6,476,620</u>	<u>4,809,881</u>
Cash flows from financing activities		
Donor restricted contributions to endowment	327,079	684,240
Repayments of long-term debt	(810,000)	(775,000)
Restricted cash	(40,774)	(1,374)
Funds held by bond trustee	6,473	(39,490)
Refundable loan program	3,715	(5,425)
Line of credit facility	5,000,000	-
Capital lease	245,273	-
Net cash provided by (used in) financing activities	<u>4,731,766</u>	<u>(137,049)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(335,221)</u>	<u>(1,574,091)</u>
Cash and cash equivalents, beginning of year	<u>710,369</u>	<u>2,284,460</u>
Cash and cash equivalents, end of year	<u>\$ 375,148</u>	<u>\$ 710,369</u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 1,542,703</u>	<u>\$ 1,479,671</u>

The accompanying notes are an integral part of these financial statements.

St. Francis College

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

1. ORGANIZATION

St. Francis College (the "College"), located in Brooklyn Heights, New York, is a private, nonprofit, independent, co-educational college chartered by the Legislature of the State of New York and the Board of Regents of the University of the State of New York and accredited by the Middle States Commission on Higher Education.

The College offers undergraduate degree programs in the arts, sciences, and professions. The College welcomes students from various backgrounds and provides a liberal arts education at an affordable price. By integrating liberal arts and pre-professional programs, the College promotes the development of the whole person.

Both the Franciscan heritage and the Catholic tradition establish a cornerstone of academic excellence, social responsibility, and mutual respect throughout the entire College community. The College derives its revenues principally from student tuition and fees, government appropriations, grants, contracts and gifts and investment returns. The College expends these resources to meet its instructional and educational mission.

The College has been classified as a Section 501(c)(3) organization and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and similar provisions under New York state tax laws.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities ("ASU 2016-14"). The ASU amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as "net assets without donor restrictions" and "net assets with donor restrictions";
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed in service approach to recognize the satisfaction of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring that all not-for-profits present an analysis of expenses by function and nature in a separate statement or in the notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and,
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

The College adopted ASU 2016-14 as of and for the year ended June 30, 2019.

Accordingly, the College's resources are classified and reported based upon the existence or absence of donor-imposed restrictions, as follows:

Without Donor Restrictions - net assets that are not subject to donor-imposed restrictions and, therefore, are available to meet the College's objectives. Net assets without donor restrictions may also be designated by the College's Board of Trustees (Notes 14 and 20).

With Donor Restrictions - net assets that are subject to donor-imposed restrictions that either expire with the passage of time, can be fulfilled and removed by the actions of the College pursuant to those restrictions. In addition, net assets with donor restrictions also include net assets whereby the respective donors have stipulated that the corpus contributed be invested and/or maintained in perpetuity. Income earned from these investments is available for expenditures according to restrictions, if any, imposed by donors. (Notes 15 and 20).

A presentation of net assets as previously reported as of June 30, 2018 and 2017, and as required under ASU 2016-14 follows:

June 30, 2018				
Presentation under ASU 2016-14				
	As Previously Presented	Without Donor Restrictions	With Donor Restrictions	Total
Net assets:				
Unrestricted	\$ 64,826,542	\$ 64,826,542	\$ -	\$ 64,826,542
Temporarily restricted	15,013,028	-	15,013,028	15,013,028
Permanently restricted	13,996,449	-	13,996,449	13,996,449
Total net assets	<u>\$ 93,836,019</u>	<u>\$ 64,826,542</u>	<u>\$ 29,009,477</u>	<u>\$ 93,836,019</u>

June 30, 2017				
Presentation under ASU 2016-14				
	As Previously Presented	Without Donor Restrictions	With Donor Restrictions	Total
Net assets:				
Unrestricted	\$ 71,984,408	\$ 71,984,408	\$ -	\$ 71,984,408
Temporarily restricted	13,163,598	-	13,163,598	13,163,598
Permanently restricted	13,312,209	-	13,312,209	13,312,209
Total net assets	<u>\$ 98,460,215</u>	<u>\$ 71,984,408</u>	<u>\$ 26,475,807</u>	<u>\$ 98,460,215</u>

Revenues and gains and losses on investments and other assets are reported as changes in net assets without donor restrictions unless limited by explicit donor-imposed stipulations. Expenses are reported as decreases in net assets without restrictions. Expirations of net assets with donor restrictions; that is, the donor-imposed stipulated purpose has been accomplished, and/or the stipulated time period has elapsed, are reported as net assets released from restrictions. Provisions for uncollectible multi-year pledges, if any, are charged directly to the respective restricted net assets to which they relate. As a result of changes in donor stipulations, certain net assets may be reclassified from time to time.

St. Francis College

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

Income and net gains on investments of endowment and similar funds are reported as increases in net assets with donor restrictions if the terms of the gift impose restrictions on the use of the income, or if such returns are pending Board appropriation.

Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. As required by U.S. GAAP for fair value measurement, the College uses a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

The College uses, where appropriate, the Net Asset Value ("NAV") per share, or its equivalent to determine the fair value as of the measurement date of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their investees financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. As required by the practical expedient, the College separately discloses the information required for assets measured at NAV and also shows the carrying amount of investments at NAV as a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the financial statements.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.
- Level 2 - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the report date. The nature of these securities include investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.
- Level 3 - Securities that have little to no pricing observability as of the report date. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Revenue

In accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 606, Revenue from Contracts with Customers ("ASC 606"), the College recognizes revenue when control of the promised goods or services are transferred to the College's students or outside parties in an amount that reflects the consideration the College expects to be entitled to in exchange for those goods or services. The standard outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied.

St. Francis College

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

ASC 606 also requires new and expanded disclosures regarding revenue recognition to ensure an understanding as to the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The College has identified student related revenue, government appropriations, and other revenues as revenue categories subject to the adoption of ASC 606. The College recognizes contracts with customers, as goods or services transferred or provided in accordance with ASC 606.

The results of applying ASC 606 using the modified retrospective approach did not have a material impact on the statement of financial position, statements of activities, cash flows, business processes, controls or systems of the College.

The College derives its revenue principally from student related revenue through tuition and fees, government appropriations, gifts and grants and investment returns. The carrying value of student receivables has been reduced by an estimated allowance for uncollectible accounts, based on historical collection experience, and therefore, approximates net realizable value. Receivables are written off in the period in which they are deemed to be uncollectible. Amounts received in advance are reported as deferred revenues.

Contributions, Grants and Annuity Life Income Agreements

The College recognizes revenue from contributions, grants and contracts in accordance with Accounting Standards Update (ASU) 2018-08, Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. Accordingly, the College evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of assets is determined to be an exchange transaction, the College applies guidance under ASC 606. If the transfer of assets is determined to be a contribution, the College evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the College is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

The College records contributions of cash and other assets when an unconditional promise to give is received from a donor. Contributions are recorded at the fair value of the assets received and are classified as either with donor restrictions or without donor restrictions, based upon the presence or absence of donor-imposed restrictions. The College reports gifts of cash or other assets as restricted support if they are received with donor restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying financial statements as net assets released from restrictions. The College reports pledges expected to be collected within one year at net realizable value. Pledges to be paid to the College over a period of years are recorded at their estimated present value using a risk-adjusted rate.

Cash and Cash Equivalents

Cash and cash equivalents consist of money market funds and liquid financial instruments, including U.S. government and government agency obligations, bank certificates of deposit, commercial paper, corporate notes, and short-term and intermediate-term investment funds, with original maturities of three months or less, except for those managed by the College's investment managers as part of their long-term investment strategies.

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value and reported in the accompanying statements of financial position based upon quoted market prices. In the absence of readily ascertainable market values, the fair values of these financial instruments are based on estimates and assumptions determined by the respective fund managers, which the College believes are reasonable and appropriate.

Risks and Uncertainties

Investment securities, in general, are exposed to various risks such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments could occur in the near term and such changes could materially affect the amounts reported in the accompanying financial statements. Management believes that it has mitigated market risk by diversifying its portfolio.

Property, Equipment, and Collections

Property, equipment and art collections are stated at cost if purchased or at fair value if donated. All gifts of land, buildings, and equipment are recorded without restrictions unless explicit donor stipulations specify how the donated assets must be used, in which case the gifts are recorded as with restrictions.

Maintenance, repairs and minor improvements are charged as expense as incurred. Major improvements, which substantially extend the useful lives of assets, are capitalized. Upon sale or other disposition of assets, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss, if any, is recorded in the statement of activities.

Depreciation is computed on the straight-line basis over the estimated useful lives of the buildings (20 to 50 years), building improvements (10 to 30 years), and equipment (5 to 10 years). Certain assets of the College meet the criteria of collections and accordingly are not depreciated.

The College's capitalization policy requires that all donated or purchased property with a cost or fair value of \$5,000 or more be recorded as a capital asset.

Refundable Loan Program

Funds provided by the U.S. Government under the Federal Perkins Student Loan program were loaned to qualified students and were re-loaned after collection. These funds are ultimately refundable to the government and are presented in the accompanying statements of financial position as a liability.

On September 30, 2015, the Federal Perkins Loan Program expired, however, the Federal Perkins Loan Extension Act of 2015, enacted on December 18, 2015, effectively extended the Perkins Loan Program through September 30, 2017. No additional legislation was introduced to extend the Program any further, the Perkins Loan Program expired as of September 30, 2017. No new federal student loans will be issued through the Perkins student loan program.

Income Taxes

The College adopted the provisions of ASC 740 Accounting for Uncertainties in Income Taxes. ASC 740-10 clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority.

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The College is exempt from federal and New York income taxation by virtue of being an organization described in Section 501(c)(3) of the IRC and similar provisions of the New York State tax code. Nevertheless, the College may be subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. Management believes that there are no material uncertain tax positions within its financial statements.

Conditional Asset Retirement Obligations

Accounting standards governing Asset Retirement Obligations required the College to recognize the cost associated with the eventual remediation and abatement of asbestos located within certain of the College's existing buildings. Based on the results of a site-specific survey previously conducted, such liability approximated \$41,800 and \$16,700 at June 30, 2019 and 2018, respectively, and has been included within accounts payable and accrued expenses on the accompanying statements of financial position.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU No. 2016-02 is effective for the College for fiscal year 2020. Early adoption is permitted. The College is in the process of evaluating the impact this standard will have on the financial statements.

Reclassifications

Certain information in the fiscal 2018 financial statements have been reclassified to conform to the fiscal 2019 presentation. There were no changes in total assets, liabilities, or changes in net assets as reflected in the fiscal 2018 financial statements.

3. REVENUE RECOGNITION

The College has various revenue streams that revolve mainly around student enrollment and instruction. Revenue is generated mainly through tuition, housing, meals and various fees associated with enrollment in the College. Generally, enrollment and instructional services are billed when a course or term begins, and paid within thirty days of the bill date.

Revenue is also generated through late fees and payment plan fees for tuition payments, as well as from various parking facilities and vending machines across campuses. Generally, this other fees revenue is recognized when the fee is charged to the student, which coincides with the completion of the specific performance obligation to the student.

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

In the following table, revenue is disaggregated by type of service provided:

For the year ended June 30, 2019			
	<u>Tuition and Fees</u>	<u>Housing</u>	<u>Total</u>
Revenues	\$ 59,331,961	\$ 2,364,188	\$ 61,696,149
Less: College scholarships	(28,465,427)	(489,204)	(28,954,631)
Less: Federal financial assistance	(432,753)	-	(432,753)
Net	<u>\$ 30,433,781</u>	<u>\$ 1,874,984</u>	<u>\$ 32,308,765</u>

For the year ended June 30, 2018			
	<u>Tuition and Fees</u>	<u>Housing</u>	<u>Total</u>
Revenues	\$ 56,751,894	\$ 1,941,372	\$ 58,693,266
Less: College scholarships	(22,612,689)	(465,666)	(23,078,355)
Less: Federal financial assistance	(307,192)	-	(307,192)
Net	<u>\$ 33,832,013</u>	<u>\$ 1,475,706</u>	<u>\$ 35,307,719</u>

Deferred revenue at June 30, 2019 and 2018 totaled \$671,728 and \$775,020, respectively, and primarily represents the College's performance obligation to transfer future enrollment and instructional services to students. The changes in deferred revenues were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

The College has elected, as a practical expedient, not to disclose additional information about unsatisfied performance obligations for contracts with customers that have an expected duration of one year or less.

Certain tuition and fees have been pledged as collateral for the College's Series 2010 Revenue Bonds (Note 11).

4. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

The College's working capital and cash flows have seasonal variations during the year attributable to tuition billing and a concentration of contributions received at calendar and fiscal year-end. To manage liquidity, the College can use a portion of the quasi-endowment fund for general expenditures with the approval from the College's Board of Trustees, subject to investment liquidity provisions.

St. Francis College

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

The following reflects the College's financial assets as of June 30, 2019, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include the Board-approved appropriation from the endowment fund for the following year as well as donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Board of Trustees approves this action.

Cash and cash equivalents	\$ 375,148
Student accounts receivable, net	2,320,061
Contributions receivable, net	474,809
Student loans receivable, net	492,061
Grants and other receivables	458,549
Investments	<u>70,395,007</u>
Financial assets, at year-end	74,515,635
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:	
Donor restricted endowment	(25,868,930)
Donor restricted grants and scholarships	(5,498,607)
Contributions receivable due in greater than one year	(179,642)
Refundable loan program	(508,798)
Annuity and life income agreements	(67,339)
Funds held by trustee	(609,804)
Board designations:	
Quasi-endowment fund, primarily for long-term investing	(16,161,620)
Endowment spending distribution:	
Fiscal year 2020 endowment appropriation	3,732,522
Fiscal year 2020 quasi-endowment special appropriation	<u>8,500,000</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$37,853,417</u></u>

5. STUDENT ACCOUNTS RECEIVABLE, NET

Student accounts receivable are reported net of an allowance for doubtful accounts of \$1,693,381 and \$1,283,405 at June 30, 2019 and 2018, respectively.

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

6. INVESTMENTS

A summary of investments at June 30, 2019 and 2018, follows:

	<u>2019</u>	<u>2018</u>
Pooled Investments	\$ 70,327,667	\$ 73,938,182
Investments relating to annuity and life income agreements	67,340	70,533
	<u>\$ 70,395,007</u>	<u>\$ 74,008,715</u>

A summary of investment securities, at June 30, 2019 and 2018, follows:

	<u>2019</u>	<u>2018</u>
Cash held for investment	\$ -	\$ 2,200,000
Money market funds	734,955	134,004
Equity mutual funds	14,446,834	21,774,671
Fixed income mutual funds	14,265,089	8,838,826
Private real estate fund	946,595	2,213,228
Hedge funds and private equity funds	40,001,534	38,847,986
	<u>\$ 70,395,007</u>	<u>\$ 74,008,715</u>

The College's interest in alternative investments (principally limited partnership interests in public equity, hedge funds, real estate funds, private debt, and other similar funds) are reported at net assets value ("NAV") per share. NAV is determined by the underlying investment managers and is based on appraisals or other estimates that require varying degrees of judgement. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer and subsequent developments concerning the companies to which the securities relate. The College has performed due diligence on these investments and uses NAV as a practical expedient. Accordingly, investments measured at fair value using NAV per share as a practical expedient have not been categorized in the fair value hierarchy.

The following table presents the fair value hierarchy of the College's investments, measured at fair value, as of June 30, 2019.

	Fair Value		
	<u>Level 1</u>	<u>Net Asset Value</u>	<u>Total</u>
Equity mutual funds	\$ 14,446,834	\$ -	\$ 14,446,834
Fixed income mutual funds	14,265,089	-	14,265,089
Private real estate fund	-	946,595	946,595
Hedge funds and private equity funds	-	40,001,534	40,001,534
	<u>\$ 28,711,923</u>	<u>\$ 40,948,129</u>	69,660,052
Money market funds			<u>734,955</u>
			<u>\$ 70,395,007</u>

St. Francis College

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

The following table details certain attributes pertaining to the investments reported at fair value using a NAV, or its equivalent, for the fiscal year ended June 30, 2019:

Strategy	NAV	Number of Funds	Remaining Life	Amount of Unfunded Commitments	Timing to Draw-Down Commitments	Redemption Terms	Redemption Restrictions
Absolute Return Hedge Fund	\$ 6,942,968	2	N.A.	N.A.	N.A.	Monthly with 60 days notice, quarterly with 45 days notice, and annually with 60 days notice.	Subject to a 5% redemption fee
Private Equity Fund	33,058,566	13	1 to 6 years	\$4,095,587	Remaining life of fund	Redemption available with consent from fund investment manager.	None
Private Real Estate Fund	946,595	1	1 to 3 years	\$1,177,903	Remaining life of fund	Redemption available with consent from fund investment manager.	None
	<u>\$40,948,129</u>	<u>16</u>					

The following table presents the fair value hierarchy of the College's investments, measured at fair value, as of June 30, 2018.

	Fair Value		
	<u>Level 1</u>	<u>Net Asset Value</u>	<u>Total</u>
Equity mutual funds	\$ 21,774,671	\$ -	\$ 21,774,671
Fixed income mutual funds	8,838,826	-	8,838,826
Private real estate fund	-	2,213,228	2,213,228
Hedge funds	-	38,847,986	38,847,986
	<u>\$ 30,613,497</u>	<u>\$ 41,061,214</u>	<u>71,674,711</u>
Cash held for investments			2,200,000
Money market funds			<u>134,004</u>
			<u>\$ 74,008,715</u>

The following table details certain attributes pertaining to the investments reported at fair value using a NAV, or its equivalent, for the fiscal year ended June 30, 2018:

Strategy	NAV	Number of Funds	Remaining Life	Amount of Unfunded Commitments	Timing to Draw-Down Commitments	Redemption Terms	Redemption Restrictions
Absolute Return Hedge Fund	\$ 16,387,158	4	N.A.	N.A.	N.A.	Monthly with 60 days notice, quarterly with 45 days notice, and annually with 60 days notice.	Subject to a 5% redemption fee
Private Equity Fund	23,108,473	11	1 to 6 years	\$ 11,868,474	Remaining life of fund	Redemption available with consent from fund investment manager.	None
Private Real Estate Fund	1,565,583	2	1 to 3 years	\$ 1,256,320	Remaining life of fund	Redemption available with consent from fund investment manager.	None
	<u>\$41,061,214</u>	<u>17</u>					

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

7. CONTRIBUTIONS RECEIVABLE, NET

Contributions receivable, net, consisted of the following at June 30, 2019 and 2018, respectively:

	<u>2019</u>	<u>2018</u>
Amount expected to be collected:		
In one year or less	\$ 1,259,232	\$ 2,769,008
Between one year and seven years	<u>179,642</u>	<u>604,860</u>
	1,438,874	3,373,868
Less: discount to present value at 2.29% to 2.59%	(9,626)	(21,123)
Less: allowance for uncollectible amounts	<u>(954,439)</u>	<u>(318,084)</u>
	<u>\$ 474,809</u>	<u>\$ 3,034,661</u>

8. STUDENT LOANS RECEIVABLE, NET

The College made uncollateralized loans to students based on financial need. Student loans were funded through the Federal Government Perkins revolving loan program. At June 30, 2019 and 2018, student loans represented 0.38% and 0.39% of total assets, respectively.

At June 30, 2019 and 2018, student loans consisted of the following:

	<u>2019</u>	<u>2018</u>
Federal government programs	\$ 530,695	\$ 567,289
Less allowance for doubtful accounts:		
Beginning of year	(27,968)	(27,571)
Increase in allowance	<u>(10,666)</u>	<u>(397)</u>
	<u>(38,634)</u>	<u>(27,968)</u>
Student loans receivable, net	<u>\$ 492,061</u>	<u>\$ 539,321</u>

The availability of funds for loans under the program is dependent upon repayments of outstanding loans by students. Funds advanced to students of \$0 and \$50,628 for the years ended June 30, 2019 and 2018, respectively, are ultimately refundable to the government and are classified as liabilities in the statements of financial position. Outstanding loans cancelled under the program result in a reduction of the funds available for loan and a decrease in the liability to the government.

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June 30, 2019 and 2018

At June 30, 2019 and 2018, the following amounts were past due under the Perkins student loan program:

<u>June 30,</u>	<u>240 Days or Less Past Due</u>	<u>240 Days to 2 Years Past Due</u>	<u>2 Years to 5 Years Past Due</u>	<u>5 Years or More Past Due</u>	<u>Total</u>
2019	\$ 40,881	\$ 49,944	\$ 119,440	\$ 108,512	\$ 318,777
2018	\$ 64,247	\$ 72,522	\$ 76,344	\$ 80,352	\$ 293,465

Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of loan recipients to repay the amounts per the loan terms.

9. PROPERTY, EQUIPMENT AND COLLECTIONS, NET

Property, equipment and collections, net, consisted of the following at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Buildings	\$ 102,489,242	\$ 99,967,488
Furniture and equipment	425,420	411,342
Computer equipment	13,842,108	12,335,291
	<u>116,756,770</u>	<u>112,714,121</u>
Less accumulated depreciation	<u>(63,718,005)</u>	<u>(59,008,170)</u>
	53,038,765	53,705,951
Land	105,640	105,640
Artwork collection	200,205	200,205
Construction in progress	142,381	143,612
	<u>\$ 53,486,991</u>	<u>\$ 54,155,408</u>

Certain of the College's buildings have been pledged as collateral (Note 11).

10. FUNDS HELD BY TRUSTEE

In December 2014, the College, through the Dormitory Authority of the State of New York (the "DASNY"), issued \$12,585,000 of Series 2014 tax-exempt bonds for the purpose of refunding the College's existing tax-exempt Series 2004 bonds. Funds held by trustee under this issuance totaled \$37,575 and \$37,899 for the years ended June 30, 2019 and 2018, respectively, inclusive of \$27,463 in a debt service fund at June 30, 2019 and 2018, respectively.

In August 2010, DASNY issued \$25,000,000 of Series 2010 Revenue Bonds for the benefit of the College to finance various construction and renovation projects throughout the College's campus. Proceeds from

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

the August 2010 Revenue Bond issuance were initially deposited into a construction fund with a trustee. The proceeds were invested in qualified investments whose yield may not exceed the yield on the bonds. Funds held by trustee under this issuance totaled \$572,229 and \$578,378, which were fully comprised of a debt service fund at June 30, 2019 and 2018, respectively.

At June 30, 2019 and 2018, the College's funds held by trustee were held in cash and cash equivalents.

11. BONDS PAYABLE

In December 2014, the College, through DASNY, issued \$12,585,000 of Series 2014 tax-exempt bonds for the purpose of refunding the College's existing tax-exempt Series 2004 bonds. These Series 2014 bonds were sold directly to a bank that provided a ten-year commitment to hold the bonds at a fixed rate of 2.72%.

In December 2024, at the end of the ten-year commitment period, the bonds will be subject to mandatory tender and the rate will need to be reset or the bonds refunded.

The payment of the principal and interest on the bonds is guaranteed by the College. The bonds are not secured by any mortgage lien.

This agreement includes financial covenants with which the College is in compliance, in part, by utilizing \$8,500,000 and \$5,150,000, respectively, of quasi-endowment funds approved by the Board of Trustees to support operations during the fiscal year ended June 30, 2019 and 2018.

Interest payment dates are April 1 and October 1, which commenced April 1, 2015. For fiscal years 2019 and 2018, interest expense totaled \$314,904 and \$326,408, respectively. No interest was capitalized. Principal payments are made annually commencing on October 1, 2016.

Debt service payments for the DASNY Series 2014 bonds for each of the next five years and thereafter were as follows at June 30, 2019:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	\$ 485,000	\$ 301,474	\$ 786,474
2021	505,000	286,672	791,672
2022	530,000	272,430	802,430
2023	555,000	258,656	813,656
2024	575,000	258,556	833,556
Thereafter	<u>8,615,000</u>	<u>359,885</u>	<u>8,974,885</u>
Total DASNY Series 2014 bond payable	11,265,000	<u>\$ 1,737,673</u>	<u>\$ 13,002,673</u>
Add: Unamortized bond premium	-		
Less: Unamortized bond issuance costs	<u>(260,217)</u>		
Total DASNY Series 2014 bond payable	<u>\$ 11,004,783</u>		

In August 2010, the College issued \$25,000,000 of tax exempt bonds through DASNY. The St. Francis College Revenue Bonds, Series 2010, are special obligations of DASNY, payable solely from and secured by a pledge of (i) certain payments to be made under a Loan Agreement between the College and the DASNY, and (ii) all funds and accounts (except the Arbitrage Rebate Fund) authorized under DASNY's St.

St. Francis College

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

Francis College Revenue Bond Resolution, and established under the Series 2010 Resolution authorizing the Series 2010 Bonds, adopted June 23, 2010. The Loan Agreement is a general obligation of the College and requires the College to pay, in addition to the fees and expenses of DASNY and the Trustee, amounts sufficient to pay, when due, the principal, sinking fund installments, if any, and redemption price of and interest on the Series 2010 Bonds. The obligations of the College under the Loan Agreement are secured by a pledge of an amount equal to maximum annual debt service from tuition and fees charged to students for academic instruction, the right to receive the same and the proceeds thereof. Maximum annual debt service is defined as the maximum amount of annual debt service in any fiscal year up to the final maturity date of the bonds. A building on the College's property has been mortgaged to DASNY as part of the Loan Agreement.

The Serial Bonds mature through 2025 and incur interest at rates ranging from 2.00% to 4.63% per annum. The Term Bonds mature from 2026 to 2040 and incur interest at a rate of 5.00% per annum.

This agreement includes financial covenants with which the College is in compliance, in part, by utilizing \$8,500,000 and \$5,150,000, respectively, of quasi-endowment funds approved by the Board of Trustees to support operations during the fiscal year ended June 30, 2019 and 2018.

Interest payment dates are April 1 and October 1, and commenced April 1, 2011. For fiscal years 2019 and 2018, interest expense totaled \$1,115,314 and \$1,129,014, respectively. No interest was capitalized in fiscal years 2019 and 2018. Principal payments are made annually and commenced on October 1, 2011.

Annual sinking fund redemptions commenced on October 1, 2011. The Bonds are subject to optional redemption at any time on or after October 1, 2020. Mandatory redemption dates are as follows:

(1) for bonds maturing on October 1, 2032: October 1, 2026 - 2032 and (2) for bonds maturing on October 1, 2040: October 1, 2033 - 2040.

The Series 2010 Bonds maturing after October 1, 2020 are also subject to purchase in lieu of optional redemption prior to maturity at the election of the College on or after October 1, 2020, in any order, in whole or in part at any time, at a price of 100% of the principal amount thereof, plus accrued interest to the date set for purchase.

In addition, the Series 2010 Bonds are subject to redemption prior to maturity, in whole or in part, at 100% of the principal amount thereof plus accrued interest to the date of redemption, at the option of DASNY on any interest payment date, (i) from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Series 2010 Project, and (ii) from unexpended proceeds of the Series 2010 Bonds upon the abandonment of all or a portion of the Series 2010 Project due to a legal or regulatory impediment.

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

Debt service payments for DASNY Series 2010 bonds for each of the next five years and thereafter were as follows at June 30, 2019:

<u>Fiscal Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	\$ 365,000	\$ 1,101,014	\$ 1,466,014
2021	380,000	1,085,876	1,465,876
2022	395,000	1,069,744	1,464,744
2023	410,000	1,052,531	1,462,531
2024	430,000	1,034,154	1,464,154
Thereafter	<u>20,575,000</u>	<u>12,783,597</u>	<u>33,358,597</u>
Total DASNY Series 2010 bond payable	22,555,000	<u>\$ 18,126,916</u>	<u>\$ 40,681,916</u>
Less: Unamortized bond discount, net	(189,864)		
Less: Unamortized bond issuance costs	<u>(385,082)</u>		
Total DASNY Series 2010 bond payable	<u>\$ 21,980,054</u>		

12. LINE OF CREDIT FACILITY

The College had a \$10 million unsecured line of credit that expired in March 2018. The line was subsequently reduced to \$8 million, with an extension in term through September 2019. The terms of the line are LIBOR plus 175 basis points or prime rate with a floor of 175 basis points. There was no demand deposit requirement under this agreement. At June 30, 2019 the amount outstanding under this facility was \$5,000,000.

The College exited the working capital line of credit after September 2019 with T.D. Bank and replaced it with an interim facility for a short-term line of credit with Brown Brothers Harriman, lent on margin against the quasi-endowment of the College.

During fiscal years 2019 and 2018, interest expense on this facility amounted to \$87,860 and \$24,249, respectively. No such interest was capitalized as part of project costs during the construction period.

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

13. NET ASSETS RELEASED FROM RESTRICTIONS

Donor-imposed restrictions that were met during the years ended June 30, 2019 and 2018, were as follows:

	<u>2019</u>	<u>2018</u>
Academic support	\$ -	\$ 57,441
Instructional	42,644	43,251
Student services	1,805	35,671
Student aid	1,349,013	1,649,199
Pledge payments received	<u>141,384</u>	<u>220,595</u>
Total net assets released from restrictions	<u>\$ 1,534,846</u>	<u>\$ 2,006,157</u>

14. NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions were held for the following purposes at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Available for operations	\$ 10,431,949	\$ 10,164,475
Quasi-endowment	16,161,620	24,451,455
Investment in plant	21,069,478	20,925,432
Campaign	394,261	295,598
Renewals and replacements	891,467	5,747,681
Plant projects	3,141,000	3,141,000
Institutional loans	<u>104,700</u>	<u>100,901</u>
Total net assets without restrictions	<u>\$ 52,194,475</u>	<u>\$ 64,826,542</u>

15. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were held for the following purposes at June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Time restricted - for general college purposes	\$ 663,589	\$ 838,577
Purpose restricted:		
Scholarships	14,614,166	11,764,417
Campaign	1,258,195	2,025,175
Student services	508,059	384,859
Endowed scholarships	<u>14,323,528</u>	<u>13,996,449</u>
Total net assets with donor restrictions	<u>\$ 31,367,537</u>	<u>\$ 29,009,477</u>

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

16. GOVERNMENT APPROPRIATIONS

The College recognized revenues from government appropriations totaling \$683,244 and \$587,148 for the years ended June 30, 2019 and 2018, respectively.

17. PENSION PLAN

Substantially all employees of the College are covered under a defined contribution pension plan administered by the Teachers Insurance and Annuity Association ("TIAA") and College Retirement Equities Fund ("CREF"). The College's contribution to the pension plan is based on specified percentages of each employee's annual salary. Pension expense for the years ended June 30, 2019 and 2018 was \$1,594,569 and \$1,682,109, respectively.

18. EARLY RETIREMENT PROGRAM

During fiscal years 2019 and 2018, the College offered a voluntary retirement package to employees who met certain age and years-of-service criteria. The associated liability under this program totaled \$179,559 and \$1,310,574 at June 30, 2019 and 2018, respectively, and was included within accounts payable and accrued expenses in the accompanying statements of financial position. The College paid this liability in full in August 31, 2019.

19. EXPENSE ALLOCATIONS

The College allocates operation and maintenance of plant, depreciation and amortization, and interest expense based on proportional expenditures using estimates of building square footage and the functional use of each facility financed by debt. The College's primary program services are instructional support. Expenses reported as academic support, student services, and institutional support are incurred in support of this primary program activity. For the years ended June 30, 2019 and 2018, fundraising expenses incurred only by the College's development office totaled \$511,342 and \$935,791 respectively, and are included within Institutional Support in the accompanying statements of activities.

Expenses by their natural classification and function are presented as follows for the fiscal year ended June 30, 2019 and 2018:

	2019					2018
	Instruction	Academic Support	Student Services	Institutional Support	Total	Total
Salaries and wages	\$ 11,002,885	\$ 2,669,047	\$ 5,623,442	\$ 5,347,780	\$ 24,643,154	\$ 22,606,293
Benefits	3,455,005	722,388	1,529,611	1,403,456	7,110,460	7,727,231
Materials and supplies	185,283	195,889	207,498	235,889	824,559	843,933
Occupancy	303,973	849,648	2,241,038	2,165,569	5,560,228	803,368
Professional services	11,950	82,021	741,938	2,097,698	2,933,607	1,573,468
Conferences, meetings and travel	107,254	44,407	839,045	203,185	1,193,891	758,408
Other	42,646	78,688	1,805	2,051,058	2,174,197	9,878,610
	<u>15,108,996</u>	<u>4,642,088</u>	<u>11,184,377</u>	<u>13,504,635</u>	<u>44,440,096</u>	<u>44,191,311</u>
Operation and maintenance of plant	3,046,564	577,548	1,421,493	818,860	5,864,465	5,939,949
Depreciation	2,446,739	463,837	1,141,622	657,637	4,709,835	4,354,123
Interest	1,110,517	428,686	-	-	1,539,203	1,477,217
	<u>\$ 21,712,816</u>	<u>\$ 6,112,159</u>	<u>\$ 13,747,492</u>	<u>\$ 14,981,132</u>	<u>\$ 56,553,599</u>	<u>\$ 55,962,600</u>

St. Francis College

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

20. ENDOWMENT NET ASSETS

The College's endowment includes both donor-restricted endowed funds, principally established for student scholarships and, funds designated by the Board of Trustees to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In September 2010, the State of New York enacted the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), its version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). All not-for-profit corporations formed in the State of New York are required to adopt NYPMIFA.

The Board of Trustees of the College through its approved investment policy guidelines has interpreted NYPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulation to the contrary. As a result of this interpretation, the College classifies as net assets with donor restrictions in perpetuity (a) the original value of the gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated by the Board of Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA. From time to time, the fair value of assets associated with an individual donor-restricted endowment fund may fall below the fund's historic dollar value. Under NYPMIFA, the College may spend below the historical dollar value of its endowment funds unless specific donors have stipulated to the contrary. Deficiencies of this nature are reported in net assets with donor restrictions. As of June 30, 2019 and 2018, the College had underwater endowment funds \$11,371 and \$69,191, respectively.

In accordance with NYPMIFA, the College considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds.

1. The purpose of the organization and the donor-restricted endowment fund.
2. General economic condition.
3. The possible effect of inflation and deflation.
4. The expected total return from income and the appreciation of investments.
5. Other resources of the College.
6. The investment policy of the College.

Where appropriate, alternatives to spending from the donor-restricted endowment fund and the possible effects on the College are also considered.

The Board approved spending policy of the College is that the long-term target for the annual amount distributed from the investments shall be 5.0% or less of the investment balance, calculated using a 3-year moving average of fair values, adjusted for contributions and distributions, which management determined to be substantially equivalent to a 5-year average. Amounts appropriated for expenditures in 2019 and 2018 were principally used to fund student scholarships.

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

The following presents the College's endowment net assets as of June 30, 2019 and 2018:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions			Total Funds as of June 30, 2019
		Accumulated Gains (Losses)	Original Gift	Total	
Donor-restricted endowment funds	\$ -	\$ 11,545,402	\$ 14,323,528	\$ 25,868,930	\$ 25,868,930
Board-designated endowment funds	16,161,620	-	-	-	16,161,620
Total endowment funds	\$ 16,161,620	\$ 11,545,402	\$ 14,323,528	\$ 25,868,930	\$ 42,030,550

The following table summarizes the changes in endowment net assets for the year ended June 30, 2019:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions		
		Accumulated Gains (Losses)	Original Gift	Total
Endowment net assets, beginning of year	\$ 24,451,455	\$ 9,651,169	\$ 13,996,449	\$ 48,099,073
Investment return:				
Investment income	62,798	160,944	-	223,742
Net appreciation - realized and unrealized	3,925,566	2,107,689	-	6,033,255
Contributions	-	-	327,079	327,079
Appropriated for expenditure:				
Scholarships	(93,719)	(374,400)	-	(468,119)
Support for operations	(3,684,480)	-	-	(3,684,480)
Quasi-endowment funds used for operations	(8,500,000)	-	-	(8,500,000)
Endowment net assets, end of year	\$ 16,161,620	\$ 11,545,402	\$ 14,323,528	\$ 42,030,551

During the year ended June 30, 2019, the College's Board of Trustees approved the use of quasi-endowment funds totaling \$8,500,000 to support operations.

The following table summarizes endowment net asset composition as of June 30, 2018:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions			Total Funds as of June 30, 2019
		Accumulated Gains (Losses)	Original Gift	Total	
Donor-restricted endowment funds	\$ -	\$ 9,651,169	\$ 13,996,449	\$ 23,647,618	\$ 23,647,618
Board-designated endowment funds	24,451,455	-	-	-	24,451,455
Total endowment funds	\$ 24,451,455	\$ 9,651,169	\$ 13,996,449	\$ 23,647,618	\$ 48,099,073

St. Francis College
NOTES TO FINANCIAL STATEMENTS
June 30, 2019 and 2018

The following table summarizes the changes in endowment net assets for the year ended June 30, 2018:

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Accumulated Gains (Losses)	Original Gift	Total
Endowment net assets, beginning of year	\$ 30,396,489	\$ 8,181,752	\$ 13,312,209	\$ 51,890,450
Investment return:				
Investment income	203,185	83,827	-	287,012
Net appreciation - realized and unrealized	3,434,586	1,837,472	-	5,272,058
Contributions	-	-	684,240	684,240
Appropriated for expenditure:				
Scholarships	(846,590)	(451,882)	-	(1,298,472)
Support for operations	(3,586,215)	-	-	(3,586,215)
Quasi-endowment funds used for operations	(5,150,000)	-	-	(5,150,000)
Endowment net assets, end of year	<u>\$ 24,451,455</u>	<u>\$ 9,651,169</u>	<u>\$ 13,996,449</u>	<u>\$ 48,099,073</u>

21. COMMITMENTS AND CONTINGENCIES

The College is a party to various legal actions arising in the ordinary course of operations. While it is not feasible to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on the College's accompanying financial statements.

Governmental grants and contracts are subject to audit and potential disallowance. It is management's opinion that any potential disallowances will not have a material effect on the accompanying financial statements.

During fiscal years 2019 and 2016, the College entered into multi-year employment contracts with certain key employees, which extend through fiscal 2021. Total commitments remaining under these agreements totaled \$1,988,390 and \$340,000 at June 30, 2019 and 2018, respectively.

22. SUBSEQUENT EVENTS

The College evaluated its June 30, 2019 financial statements for subsequent events through February 10, 2020, the date the financial statements were available to be issued. Other than the matters referred to below and in Note 12, management of the College is not aware of any subsequent events which would require recognition or disclosure to the accompanying financial statements. The College's Board of Trustees approved the use of quasi-endowment funds totaling \$8.5 million to support operations for the year ended June 30, 2020.

APPENDIX C
FORM OF LOAN AGREEMENT

LOAN AGREEMENT

Dated as of June 1, 2020

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 One Liberty Plaza, New York, New York 10006,
as “**Issuer**”

and

ST. FRANCIS COLLEGE,

a not-for-profit education corporation organized and existing under the laws of the State of New York, having its principal office at 180 Remsen Street, Brooklyn, New York 11201,
as “**Institution**”

\$42,055,000
Build NYC Resource Corporation
Revenue Bonds
(St. Francis College Project), Series 2020

LOAN AGREEMENT

This **LOAN AGREEMENT**, dated as of June 1, 2020 (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 (the “**Issuer**”), having its principal office at One Liberty Plaza, New York, New York 10006, party of the first part, and **ST. FRANCIS COLLEGE**, a not-for-profit education corporation organized and existing under the laws of the State of New York (the “**Institution**”), having its principal office at 180 Remsen Street, Brooklyn, New York 11201, 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 a taxable bond transaction, the proceeds of which, together with other funds of the Institution, will be used by the Institution for the Project; 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 Approving Resolution authorizing the Project and the Bond Resolution authorizing 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 the Issuer will make the Loan of the proceeds of the Series 2020A Bonds and of the Series 2020B Taxable Bonds, in the original aggregate principal amount of the Series 2020A Bonds and of the Series 2020B Taxable Bonds, to the Institution pursuant to this Agreement, and when issued, will make the Loan of the proceeds of the Series 2020C Bonds, in the original aggregate principal amount of the Series 2020C Bonds, to the Institution pursuant to this Agreement; 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 Series 2020A Bonds, of the Series 2020B Taxable Bonds and of the Series 2020C Bonds, the Issuer has authorized the issuance of the Series 2020A Bonds, of the Series 2020B Taxable Bonds and of the Series 2020C Bonds pursuant to the Bond Resolution and the Indenture; and

WHEREAS, on or prior to the issuance of the Series 2020A Bonds and the Series 2020B Taxable Bonds, the Institution will enter into the Master Trust Indenture with the Master Trustee pursuant to which the Institution will be authorized to issue its Master Trust Notes pursuant to Master Supplemental Indentures to evidence indebtedness of the Institution which will be secured under the Master Trust Indenture; and

WHEREAS, to evidence the indebtedness of the Institution under this Agreement with respect to the Loan, the Institution will execute the Master Trust Notes (Build NYC Resource Corporation) with each to be secured under the Master Trust Indenture; and

WHEREAS, the Master Trust Notes (Build NYC Resource Corporation) are to be secured by: (i) a collateral assignment of leases and rents from the Institution to the Master Trustee pursuant to the Master Assignment of Leases and Rents; (ii) mortgage liens on and security interests in the Facility granted by the Institution to the Issuer and the Master Trustee pursuant to the Master Mortgage, which Master Mortgage will be assigned by the Issuer to the Master Trustee pursuant to the Master Assignment of Mortgage; (iii) a pledge of and security interest in the gross revenues of the Institution to the Master Trustee pursuant to the Master Trust Indenture; and (iv) a deposit account control agreement for all bank accounts of the Institution pursuant to the Master Deposit Account Control Agreement from the Depository Bank and the Institution in favor of the Master Trustee;

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:

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 have the meaning assigned to such term in the Master Trust Indenture.

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.

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 occupied, used and operated by the Institution 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 180 Remsen Street, Brooklyn, New York, for use by the Institution as an independent co-educational undergraduate college.

Approving Resolution shall mean the resolution of the Issuer adopted on May 12, 2020 authorizing the Project, and undertaking to permit the issuance of the Series 2020 Bonds to finance the Project.

Asserted Cure shall have the meaning specified in Section 8.30(k)(i).

Asserted LW Violation shall have the meaning specified in Section 8.30(k)(i).

Authorized Principal Amount shall mean, (i) in the case of the Series 2020A Bonds, \$17,540,000, (ii) in the case of the Series 2020B Taxable Bonds, \$24,515,000, (iii) in the case of the Series 2020C Bonds, the Outstanding principal amount of the Series 2020B Bonds on the Series 2020C Bond Issuance Date, and (iv) in the case of any Series of Additional Bonds, such authorized principal amount as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Series of 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 under this Agreement or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer, the Master Trustee 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 a Series 2020 Bond, the Person in whose name such Series 2020 Bond is recorded as the Beneficial Owner of such Series 2020 Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Series 2020 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 Debt Service Year shall mean an annual period commencing on the Closing Date and ending on December 31, 2020, and each such annual period thereafter commencing on January 1 and ending on December 31 of such year for so long as any Bonds remain Outstanding.

Bond Fund shall mean, collectively or individually, as applicable, the Bond Fund (Taxable) and/or the Bond Fund (Tax-Exempt).

Bond Fund (Taxable) shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Bond Fund (Tax-Exempt) 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, initially, Hamlin Capital Management, LLC, a registered investment advisor under the Investment Advisors Act of 1940, as amended, so long as a majority in aggregate principal amount of all Holders or Beneficial Owners of the Bonds Outstanding are Persons for whom Hamlin Capital Management, LLC serves as investment advisor or manager of a limited partnership, and any successors or assigns thereto designated as Bondholder Representative by a written appointment, delivered to the Issuer, the Trustee and the Master Trustee, by at least a majority in aggregate principal amount of all Holders or Beneficial Owners of the Bonds Outstanding in accordance with Section 9.12 of the

Indenture. If at any time the Bondholder Representative does not represent a majority of the aggregate principal amount of all Holders or Beneficial Owners of the Bonds Outstanding, the term “Bondholder Representative” shall be disregarded for all purposes of this Agreement and the other Security Documents, and the rights granted the Bondholder Representative under this Agreement and the other Security Documents shall be of no further force or effect and shall be deemed to refer to “Majority Holders” (except with respect to Hamlin’s rights with respect to its representation of the Holders or Beneficial Owners of Hamlin Investor Bonds, if any).

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10 of the Indenture.

Bonds shall mean the Series 2020 Bonds and any Additional Bonds.

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.

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 June 22, 2020, the date of the initial issuance and delivery of the Series 2020A Bonds and of the Series 2020B Taxable 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.

Completion Deadline shall mean the third anniversary of the Closing Date.

Comptroller shall have the meaning specified in Section 8.30(b).

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.

Concessionaire shall have 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 Disclosure Agreement shall mean, with respect to the Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds, the Continuing Disclosure Agreement, dated as of the Closing Date, as amended, between the Institution and the Trustee, as dissemination agent, and, as to any Series of Additional Bonds, the continuing disclosure agreement executed by the Institution, and, in each case, shall include any and all amendments thereof and supplements thereto hereafter made in accordance therewith.

Contractor shall have the meaning set forth in Section 8.1(a).

Contractual Disposition Arrangement shall mean a contract, agreement or other arrangement for the sale, lease or other disposition of all or any part of the Facility for private business use as contemplated or provided in Section 1.141-3(g)(7) of the Income Tax Regulations.

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.

Control Agreement shall mean any and all agreements, whether there be one or more, among the Institution, as “Debtor,” the Depositary Bank and the Master Trustee, as “Secured Party,” pursuant to which the Institution agrees to grant the Master Trustee a security interest in one or more of the Institution’s depository accounts in order to secure the Institution’s repayment obligations under the Master Trust Documents; the initial Control Agreement being the Master Deposit Account Control Agreement.

Costs of Issuance shall mean issuance costs with respect to the Series 2020 Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: Underwriter’s spread (whether realized directly or derived through the purchase of the Series 2020A Bonds, the Series 2020B Taxable Bonds or the Series 2020C Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, counsel to the Underwriter, the Bondholder Representative, the Trustee, the Master Trustee, the Issuer and the Institution, 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 Series 2020 Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Regulatory Agreement); Rating Agency fees; Master Trustee, Trustee and Paying Agent fees; accountant fees and other expenses related to the issuance of the Series 2020 Bonds; printing costs for the offering documents relating to the Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds; public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Series 2020 Bonds; Blue Sky fees and expenses; and similar costs.

Covered Counterparty shall have the meaning specified in Section 8.30(b).

Covered Employer shall have the meaning specified in Section 8.30(b).

DASNY 2010 Bonds shall mean the St. Francis College Revenue Bonds, Series 2010 issued by the Dormitory Authority of the State of New York on August 20, 2010 in the original principal amount of \$25,000,000.

DASNY 2010 Bonds Trustee shall mean The Bank of New York Mellon, in its capacity as Trustee for the DASNY 2010 Bonds.

DASNY 2014 Bonds shall mean the St. Francis College Revenue Bonds, Series 2014 issued by the Dormitory Authority of the State of New York on December 22, 2014 in the original principal amount of \$12,585,000.

DASNY 2014 Bonds Trustee shall mean The Bank of New York Mellon, in its capacity as Trustee for the DASNY 2014 Bonds.

DCA shall have the meaning specified in Section 8.30(b).

Debt Service shall mean, as of any particular date of computation, with respect to the Bonds and with respect to any period, the aggregate of the amounts to be paid or set aside by the Issuer as of such date or in such period for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on the Bonds; assuming, in the case of Bonds required to be redeemed or prepaid as to principal prior to their maturity, that the principal amounts thereof will be redeemed prior to their maturity in accordance with the mandatory redemption provisions applicable thereto.

Debt Service Reserve Fund shall mean, collectively or individually, as applicable, the Debt Service Reserve Fund (Series 2020A) and/or the Debt Service Reserve Fund (Series 2020B/C).

Debt Service Reserve Fund (Series 2020A) shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Debt Service Reserve Fund (Series 2020B/C) shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Debt Service Reserve Fund Requirement shall mean, as applicable, the Debt Service Reserve Fund Requirement (Series 2020A), the Debt Service Reserve Fund Requirement (Series 2020B) or the Debt Service Reserve Fund Requirement (Series 2020C).

Debt Service Reserve Fund Requirement (Series 2020A) shall mean, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments or any combination thereof) equal to the lesser of:

- (i) ten percent (10%) of the Net Proceeds (as defined in the Tax Regulatory Agreement) of the Outstanding Series 2020A Bonds;
- (ii) 100% of the greatest amount required in the then current or any future Bond Debt Service Year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2020A Bonds (excluding the principal payable on the final maturity);
- (iii) 125% of the average annual amount required in the then current or any future Bond Debt Service Year to pay the sum of scheduled principal and interest on Outstanding Series 2020A Bonds (excluding the principal payable on the final maturity); or
- (iv) \$974,306.72.

Debt Service Reserve Fund Requirement (Series 2020B) shall mean, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments or any combination thereof) equal to the lesser of:

- (i) ten percent (10%) of the Net Proceeds (as defined in the Tax Regulatory Agreement) of the Outstanding Series 2020B Taxable Bonds;
- (ii) 100% of the greatest amount required in the then current or any future Bond Debt Service Year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2020B Taxable Bonds (excluding the principal payable on the final maturity);
- (iii) 125% of the average annual amount required in the then current or any future Bond Debt Service Year to pay the sum of scheduled principal and interest on Outstanding Series 2020B Taxable Bonds (excluding the principal payable on the final maturity); or
- (iv) \$1,361,751.96.

Debt Service Reserve Fund Requirement (Series 2020C) shall mean, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments or any combination thereof) equal to the lesser of:

- (i) ten percent (10%) of the Net Proceeds (as defined in the Tax Regulatory Agreement) of the Outstanding Series 2020C Bonds;

(ii) 100% of the greatest amount required in the then current or any future Bond Debt Service Year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2020C Bonds (excluding the principal payable on the final maturity);

(iii) 125% of the average annual amount required in the then current or any future Bond Debt Service Year to pay the sum of scheduled principal and interest on Outstanding Series 2020C Bonds (excluding the principal payable on the final maturity); or

(iv) \$1,361,751.96.

Debt Service Reserve Fund Valuation Date shall mean June 15 and December 15 of each year, commencing December 15, 2020.

Default Rate shall mean, for any of the Series 2020 Bonds, a rate of interest per annum equal to three percent (3.00%) per annum above the then-current interest rate for such Series 2020 Bonds; provided, however, any such Default Rate shall not exceed the highest rate permitted by applicable law.

Defaulted Interest shall have the meaning specified in Section 2.02(f) of the Indenture.

Defeasance Obligations shall mean Government Obligations that are not subject to redemption prior to maturity.

Depository Bank shall mean T.D. Bank, N.A., in its capacity as the financial institution under the Master Deposit Account Control Agreement receiving all revenues of the Institution, together with its successors and assigns in such capacity, and any successor Depository Bank pursuant to the Master Deposit Account Control Agreement.

Determination of Taxability shall mean a determination that the interest income on any of the Tax-Exempt Bonds does not qualify under Section 103 of the Code as interest excluded from gross income of the recipient thereof for the purposes of federal income taxation ("Exempt Interest"), which determination shall be deemed to have been made upon the first to occur of any of the following:

(i) the date on which the Issuer, the Trustee and the Bondholder Representative are notified in writing that an opinion of Nationally Recognized Bond Counsel is unable to be delivered (including, without limitation, following the occurrence of a Contractual Disposition Arrangement) to the effect that the interest on the Tax-Exempt Bonds qualifies as such Exempt Interest or, if such opinion of Nationally Recognized Bond Counsel shall so indicate, that future date following which Nationally Recognized Bond Counsel shall not thereafter be able to deliver its opinion that the interest on the Tax-Exempt Bonds qualifies as Exempt Interest; or

(ii) the date on which the Trustee and the Bondholder Representative are notified in writing by the Institution or the Issuer that a change in law or regulation has become effective or that the Internal Revenue Service has issued any public or private ruling, technical advice memorandum or any other written communication or that there has occurred a ruling or decision of a court of competent jurisdiction with or to the effect that the interest income on any of the Tax-Exempt Bonds does not qualify as such Exempt Interest;

(iii) the date on which the Institution shall receive notice from the Trustee in writing that the Trustee has been notified by the Internal Revenue Service, or has been advised by the Issuer, the Institution, the Bondholder Representative or any owner or former owner of a Tax-Exempt Bond, that the Internal Revenue Service has issued a notice of deficiency or similar notice which asserts that the interest on any of the Tax-Exempt Bonds does not qualify as such Exempt Interest, or

(iv) the six-month anniversary of the Final Material Contingency Satisfaction Date as provided in Section 8.10(a)(ii).

The Bondholder Representative, a Bondholder (or former Bondholder) or Beneficial Owner (or former Beneficial Owner) of Tax-Exempt Bonds shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (i) above, at the expense of the Institution, upon delivery by the Bondholder (or former Bondholder) or Beneficial Owner (or former Beneficial Owner) of Tax-Exempt Bonds, to the Institution, of a letter from their accountant stating that, in his or her reasonable opinion, interest on the Tax-Exempt Bonds is includable in the gross income of such Bondholder (or former Bondholder) or Beneficial Owner (or former Beneficial Owner) 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 Tax-Exempt Bond in the computation of minimum or indirect taxes.

DOL shall have the meaning set forth in Section 8.7(a).

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.

Electronic Means shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Indenture.

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.

Estimated Project Cost shall mean \$42,315,000.

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 Tax-Exempt 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.

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 Improvements Square Footage shall mean approximately 272,585 square feet.

Facility Personalty shall mean those items of machinery, equipment and other items of personalty (not constituting fixtures nor comprising any part of the Improvements) the acquisition and/or the installation of which is to be financed or refinanced 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-1 - "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 Work.

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, the Trustee and the Master Trustee at least ninety (90) days prior to the commencement thereof.

Fitch shall mean Fitch Ratings, 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.

Hamlin shall mean Hamlin Capital Management, LLC and its successors and assigns.

Hamlin Investor Bond shall mean any Series 2020 Bond beneficially owned by a client of Hamlin who is a Qualified Institutional Buyer (as defined in Rule 144A of the Securities Act of 1933, as amended) or an accredited investor (as defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended).

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; and
- (iii) all replacements, improvements, additions, extensions, substitutions, restorations and repairs to any of the foregoing.

Indemnification Commencement Date shall mean May 12, 2020, 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 XI of the Indenture.

Independent, when used with respect to any specified Person, shall mean such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Institution, and (iii) is not connected with the Institution as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is herein provided that any Independent Person's opinion or certificate shall be furnished to the Issuer, the Trustee and/or the Bondholder Representative, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

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, the Bondholder Representative and the Trustee (such approvals not to be unreasonably withheld or delayed).

Independent Engineer shall mean an Independent 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 is approved in writing by the Trustee and the Bondholder Representative.

Independent Insurance Consultant shall mean an Independent insurance consultant and/or risk management firm or an insurance broker or an insurance agent (which may be a consultant, firm, broker or agent with whom the Institution regularly transacts business) selected by the Institution and is approved in writing by the Bondholder Representative and the Trustee.

Information Recipients shall have the meaning set forth in Section 8.7(c).

Initial Annual Administrative Fee shall mean \$1,250.

Institution shall mean St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York, 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.

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 (Tax-Exempt) or the Bond Fund (Taxable), as applicable, so designated, established pursuant to Section 5.01 of the Indenture.

Interest Payment Date shall mean, with respect to the Series 2020 Bonds, June 30 and December 31 of each year, commencing June 30, 2020 with respect to the Series 2020A Bonds and the Series 2020B Taxable Bonds, commencing on the June 30 or December 31 next following the Series 2020C Bond Issuance Date with respect to the Series 2020C Bonds, 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 October 29, 1973 issued by the Internal Revenue Service to the Institution confirming that the Institution 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 on 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 on 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 on 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, any Bondholder, the Bondholder Representative or the Master Trustee;

(vi) the right of the Issuer on 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 Sections 8.26 and 8.31), 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 on 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 that certain lot, piece or parcel of land in the Borough of Brooklyn, Block 255 and Lots 12, 14 and 36, generally known by the street address 180 Remsen Street, Brooklyn, New York, 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 49,784 square feet.

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, the Underwriter and the Bondholder Representative.

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 the tenth (10th) day of each month (or, if the tenth (10th) day shall not be a Business Day, the immediately preceding Business Day), except that the first Loan Payment Date shall be June 26, 2020.

Loss Event shall have the meaning specified in Section 6.1.

LW shall have the meaning specified in Section 8.30(b).

LW Agreement shall have the meaning specified in Section 8.30(b).

LW Agreement Delivery Date shall have the meaning specified in Section 8.30(b).

LW Event of Default shall have the meaning specified in Section 8.30(b).

LW Law shall have the meaning specified in Section 8.30(b).

LW Term shall have the meaning specified in Section 8.30(b).

LW Violation Final Determination shall have 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 shall have the meaning specified in Section 8.30(k)(i)(2).

LW Violation Notice shall have the meaning specified in Section 8.30(k)(i).

LW Violation Threshold shall have 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.

Master Assignment of ALR shall mean, collectively, the Master Assignment of ALR (Acquisition Loan) and the Master Assignment of ALR (Indirect Loan).

Master Assignment of ALR (Acquisition Loan) shall mean the Master Assignment of Assignment of Leases and Rents (Acquisition Loan), dated the Closing Date, from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of ALR (Indirect Loan) shall mean the Master Assignment of Assignment of Leases and Rents (Indirect Loan), dated the Closing Date, from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of Leases and Rents shall mean, collectively, the Master Assignment of Leases and Rents (Acquisition Loan) and the Master Assignment of Leases and Rents (Indirect Loan).

Master Assignment of Leases and Rents (Acquisition Loan) shall mean the Master Assignment of Leases and Rents (Acquisition Loan), dated as of June 1, 2020, from the Institution to the Issuer and the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of Leases and Rents (Indirect Loan) shall mean the Master Assignment of Leases and Rents (Indirect Loan), dated as of June 1, 2020, from the Institution to the Issuer and the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of Mortgage shall mean collectively, the Master Assignment of Mortgage (Acquisition Loan) and the Master Assignment of Mortgage (Indirect Loan).

Master Assignment of Mortgage (Acquisition Loan) shall mean the Master Assignment of Mortgage and Security Agreement (Acquisition Loan), dated the Closing Date, from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of Mortgage (Indirect Loan) shall mean the Master Assignment of Mortgage and Security Agreement (Indirect Loan), dated the Closing Date, from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Deposit Account Control Agreement shall mean the Deposit Account Control Agreement among the Institution as “Debtor”, the Depositary Bank and the Master Trustee, dated as of June 22, 2020, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Mortgage shall mean, collectively, the Master Mortgage (Acquisition Loan) and the Master Mortgage (Indirect Loan).

Master Mortgage (Acquisition Loan) shall mean the Master Mortgage and Security Agreement (Acquisition Loan), dated as of June 1, 2020, from the Institution to the Issuer and the Master Trustee, as Mortgagee, and includes any and all amendments thereof and supplements thereto made in accordance therewith and with the Master Trust Indenture.

Master Mortgage (Indirect Loan) shall mean the Master Mortgage and Security Agreement (Indirect Loan), dated as of June 1, 2020, from the Institution to the Issuer and the Master Trustee, as Mortgagee, and includes any and all amendments thereof and supplements thereto made in accordance therewith and with the Master Trust Indenture.

Master Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Master Trust Indenture, executed and delivered by the Institution and the Master Trustee in accordance with Article IX thereof.

Master Trust Documents shall mean, collectively, the Master Trust Indenture, the Master Trust Notes, the Master Mortgage, the Master Assignment of Mortgage, the Master Assignment of Leases and Rents, the Master Assignment of ALR and the Master Deposit Account Control Agreement.

Master Trust Indenture shall mean the Master Trust Indenture, dated as of June 1, 2020, between the Institution and the Master Trustee, as from time to time amended or supplemented by Master Supplemental Indentures in accordance with Article IX thereof.

Master Trust Notes shall mean notes or other evidences of indebtedness issued by the Institution under the Master Trust Indenture and authenticated by the Master Trustee as thereby entitled to the security of the Master Trust Documents.

Master Trust Notes (Build NYC Resource Corporation) shall mean those Master Trust Notes executed or to be executed by the Institution evidencing the indebtedness of the Institution under this Agreement with respect to the Series 2020 Bonds and any Series of Additional Bonds.

Master Trustee shall mean UMB Bank National Association, New York, New York, in its capacity as Master Trustee under the Master Trust Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Master Trust Indenture.

Maturity Date shall mean, in the case of the Series 2020 Bonds, December 31, 2025.

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.

Mortgaged Property shall have the meaning specified in the Master Mortgage.

MSRB shall mean the Municipal Securities Rulemaking Board or its successor entity.

Nationally Recognized Bond Counsel shall mean Hawkins Delafield & Wood 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, the Bondholder Representative, the Trustee or the Master Trustee) incurred in the collection thereof.

New Money Bond Financed Property shall mean those items of personal property to be financed or refinanced from the proceeds of the Series 2020A Bonds (and as shall not have been financed or refinanced from the proceeds of the DASNY 2014 Bonds or the DASNY 2010 Bonds) and described in Exhibit B-2 – “Description of the New Money Bond Financed Property”, and as shall constitute part of the Facility Personalty.

Non-Hamlin Investor shall mean any Holder or Beneficial Owner of a Non-Hamlin Investor Bond.

Non-Hamlin Investor Bond shall mean any Bond (or any portion thereof) which does not qualify as a Hamlin Investor Bond.

Notice Parties shall mean the Issuer, the Institution, the Bond Registrar, the Paying Agents, the Trustee, the Bondholder Representative and the Master 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.

Obligation shall have the meaning assigned to that term in the Master Trust Indenture.

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, the Bondholder Representative and the Trustee) with respect to such matters as required under any Project Document or as the Issuer, the Bondholder Representative or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Issuer, the Bondholder Representative and the Trustee.

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 X of the Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund (Tax-Exempt) or the Redemption Account of the Bond Fund (Taxable), as the case may be, 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 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 shall have the meaning specified in Section 8.30(b).

Owed Monies shall have 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 Master Mortgage (as assigned by the Master Assignment of Mortgage), the Master Assignment of Leases and Rents (as assigned by the Master Assignment of ALR) 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, the Bondholder Representative 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 Master 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 and the Master 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;

(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, security interest, encumbrances or charge which exists in favor of the Trustee or the Master Trustee or to which the Bondholder Representative, and either the Trustee or the Master Trustee, shall consent in writing; and

(xiv) any “Permitted Encumbrance” as so defined in the Master Trust Indenture.

A Contractual Disposition Arrangement shall not constitute a Permitted Encumbrance.

Person shall mean an individual or any Entity.

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).

Prevailing Wage Law shall have the meaning specified in Section 8.30(b).

Principal Account shall mean the special trust account of the Bond Fund (Tax-Exempt) or the Bond Fund (Taxable), as applicable, 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.

Pro Rata Basis shall mean, when used in the context of a deposit of moneys to be made:

(y) in any Account of a Bond Fund under the Indenture with respect to Tax-Exempt Bonds and Taxable Bonds, that portion of such deposit determined:

(i) with respect to Tax-Exempt Bonds, by multiplying such deposit by a fraction the numerator of which is the Outstanding principal amount of all Tax-Exempt Bonds, and the denominator of which is the Outstanding principal amount of all Bonds, and

(ii) with respect to Taxable Bonds, by multiplying such deposit by a fraction the numerator of which is the Outstanding principal amount of all Taxable Bonds, and the denominator of which is the Outstanding principal amount of all Bonds,

and then rounding the respective products down to the nearest whole dollar; and

(z) in the Debt Service Reserve Fund (Series 2020A) and in the Debt Service Reserve Fund (Series 2020B/C), that portion of such deposit determined:

(i) with respect to the Debt Service Reserve Fund (Series 2020A), by multiplying such deposit by a fraction the numerator of which is the Outstanding principal amount of the Series 2020A Bonds, and the denominator of which is the Outstanding principal amount of all Series 2020 Bonds, and

(ii) with respect to the Debt Service Reserve Fund (Series 2020B/C), by multiplying such deposit by a fraction the numerator of which is the Outstanding principal amount of the Series 2020B Taxable Bonds (or if no longer Outstanding, the Series 2020C Bonds), and the denominator of which is the Outstanding principal amount of all Series 2020 Bonds,

and then rounding the respective products down to the nearest whole dollar.

Project shall mean (i) the refunding and defeasance of the DASNY 2010 Bonds; (ii) the refunding and defeasance of the DASNY 2014 Bonds; (iii) the financing and refinancing of the New Money Bond Financed Property at the Facility, including classroom furniture, energy efficient upgrades and information technology and related items of personal property; (iv) the funding of the Debt Service Reserve Funds; and (v) the payment of costs of issuance with respect to the Series 2020 Bonds, all in furtherance of the Institution's operation at the Facility of a private, nonprofit, independent co-educational undergraduate college.

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 therefor, (iii) 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 (iv) 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 Work, including the cost of estimates, permits, plans and specifications, as well as for the performance of all other duties required by or consequent upon the proper completion of the Project Work;

(ii) all costs paid or incurred for labor, materials, services, supplies, machinery, equipment and other expenses and to contractors, suppliers and materialmen in connection with the completion of the Project Work;

(iii) the interest on the allocable principal portion of the Series 2020A Bonds financing the New Money Bond Financed Property until the completion of the Project Work;

(iv) all costs of contract bonds and of insurance that may be required or necessary during the period of Project Work;

(v) the defeasance and refunding of the DASNY 2010 Bonds;

(vi) the defeasance and refunding of the DASNY 2014 Bonds;

(vii) all costs of title insurance as provided in Section 3.7;

(viii) the payment of the Costs of Issuance with respect to the Series 2020 Bonds;

(ix) the payment of the fees and expenses of the Trustee during the Project Work;

(x) all costs which the Institution shall be required to pay, under the terms of any contract or contracts, for the completion of the Project Work, 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 Work; and

(xi) all other costs and expenses relating to the completion of the Project or the issuance of a Series of Additional Bonds.

“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 Continuing Disclosure Agreement, the Master Trust Documents and the Security Documents.

Project Fee shall mean \$230,275, representing the \$235,275 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 the acquisition, whether by title or lease, of the New Money Bond Financed Property and any work required to install same.

Purchase Price shall mean, in the case of Section 2.04 of the Indenture, an amount equal to the Outstanding principal amount of the Series 2020 Bonds, 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) Commercial paper, rated at least P-1 by Moody's or at least A-1 by S&P, issued by a corporation or banking institution organized under the laws of the United States of America or any state thereof;
- (iii) Direct and general long term obligations of any state of the United States of America to which the full faith and credit of the state is pledged and that are rated in either of the two highest rating categories by Moody's and S&P;
- (iv) Direct and general short term obligations of any state of the United States to which the full faith and credit of the state is pledged and that are rated in the highest rating category by Moody's and S&P;
- (v) Interest-bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company that is a member of the Federal Deposit Insurance Corporation ("FDIC") and that are (a) continuously and fully insured by the FDIC, or (b) with a bank that has outstanding debt, or which is a subsidiary of a holding company which has outstanding debt, rated in either of the two highest rating categories by Moody's and S&P, or (c) continuously and fully secured by obligations of the type described in (i) and (ii) above that have a market value at all times at least equal to the principal amount of the deposit and are held by the Trustee or its agent or, in the case of uncertificated securities, are registered in the name of the Trustee as pledgee;
- (vi) Repurchase agreements, the maturity of which are less than thirty (30) days, entered into (a) with a bank or trust company rated at least P-1 by Moody's and A-1 by S&P and organized under the laws of the United States, (b) with a national banking association, insurance company, or government bond dealer reporting to, trading with,

and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation, in each case rated at least P-1 by Moody's and A-1 by S&P, or (c) with a dealer which is rated at least P-1 by Moody's and A-1 by S&P. The repurchase agreement must be continuously and fully secured by obligations of the type described in (i), (ii), (iii), (iv) or (v) above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the Trustee or its agent or, in the case of uncertificated securities, are registered in the name of the Trustee as pledgee;

(vii) Money market mutual funds with assets in excess of \$2,000,000,000 investing in obligations of the type specified in (i), (ii), (iii), (iv), (v) or (vi) above, including funds for which the Trustee or an Affiliate of the Trustee serves as investment advisor, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (a) the Trustee charges and collects fees and expenses from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for services rendered pursuant to this Indenture and (c) services performed for such funds and pursuant to the Indenture may converge at any time; and

(viii) An investment agreement or other investment arrangement with any bank, trust company, national banking association or bank holding company in the United States, with any domestic branch of a foreign bank, or with any surety or insurance company, provided, that, (i) such investment agreement or other investment arrangement shall permit the full principal amount of the moneys so placed together with the investment income agreed to be paid to be available for use as and when required under the Indenture, and (ii) the Person with whom such investment agreement or other investment arrangement is made must be a Person whose unsecured or uncollateralized short term debt obligations are assigned a rating by S&P of SP 1+ or better or a Person assigned a financial strength rating of AAA by S&P, and whose domestic assets shall be in excess of \$10,000,000,000.

Qualified Workforce Program shall have 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 Series 2020 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 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).

Record Date shall mean, with respect to any Interest Payment Date for the Series 2020 Bonds, the close of business on the fifteenth (15th) day of the month in which such Interest Payment Date occurs, 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 (Tax-Exempt) or the Bond Fund (Taxable), as applicable, 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.

Reimbursement Resolution shall mean the resolution adopted by Institution on December 11, 2019 with respect to the Project and the debt financing thereof.

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”.

S&P shall mean S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC, a Delaware limited liability company, its successors and assigns, and if such entity 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).

Securities Act shall mean the Securities Act of 1933, as amended, together with any rules and regulations promulgated thereunder.

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.

Security Documents shall mean, collectively, the Loan Agreement, this Indenture, the Tax Regulatory Agreement and the Master Trust Notes (Build NYC Resource Corporation).

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 2020 Bond Purchase Date shall mean December 31, 2024.

Series 2020 Bonds shall mean, collectively, the Series 2020A Bonds and the Series 2020B Taxable Bonds, and, when and if issued, the Series 2020C Bonds.

Series 2020A Bonds shall mean the Issuer's \$17,540,000 Revenue Bonds (St. Francis College Project), Series 2020A authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2020B Taxable Bonds shall mean the Issuer's \$24,515,000 Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2020C Bond Issuance Date shall mean the date of the initial issuance and delivery of the Series 2020C Bonds.

Series 2020C Bonds shall mean the Issuer's Revenue Bonds (St. Francis College Project), Series 2020C, in the principal amount of the Outstanding principal amount of the Series 2020B Taxable Bonds as of the Series 2020C Bond Issuance Date, to be issued, executed, authenticated and delivered under the Indenture.

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 (Tax-Exempt) or the Bond Fund (Taxable), as applicable, 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 shall have the meaning specified in Section 8.30(b).

Site Employee shall have the meaning specified in Section 8.30(b).

Small Business Cap shall have the meaning specified in Section 8.30(b).

Specified Contract shall have 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 XI of the Indenture.

Tax Regulatory Agreement shall mean the Tax Regulatory Agreement, dated the Closing Date, from the Issuer and 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.

Taxable Bonds shall mean the Series 2020B Taxable Bonds and any Series of Additional Bonds which are not Tax-Exempt Bonds.

Taxable Rate shall mean, with respect to any Series of Tax-Exempt Bonds, the current rate of such Series of Tax-Exempt Bonds, multiplied by a percentage equal to the sum of (i) one (1), plus (ii) the highest marginal tax rate as of the Event of Taxability. By way of illustration, if a Series of Tax-Exempt Bonds had 5% as the current rate of interest, and the highest marginal tax rate in effect as of the Event of Taxability was 37% or 0.37, then the applicable Taxable Rate would be 5 % multiplied by the sum of (i) one (1) plus (ii) 0.37 (i.e., 1.37) or 6.85%.

Tax-Exempt Bonds shall mean the Series 2020A Bonds, the Series 2020C Bonds and any Series of Additional Bonds as to which, (y) at the time of original issuance, there shall be delivered to the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the interest on such Bonds is excluded from gross income for federal income tax purposes, and (z) a Determination of Taxability shall not have been made.

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 Section 501(a) of the Code, or corresponding provisions of Federal income tax laws from time to time in effect.

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 U.S. Bank National Association, 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, in the case of the Series 2020 Bonds, RBC Capital Markets, LLC.

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 Series 2020 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 Series 2020 Bonds in the Authorized Principal Amount. The Series 2020 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 Series 2020 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 Series 2020 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 is a not-for-profit education corporation duly organized, validly existing and in good standing under the laws of the State, is not in violation of any provision of its Organizational Documents, 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.

(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 Person other than the Institution is 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, 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 Series 2020 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 Series 2020 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 Series 2020 Bonds shall be provided from equity on the part of the Institution. The amounts provided to the Institution from the proceeds of the Series 2020 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 three complete tax lots and no portion of any other 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 Facility 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 Series 2020 Bonds will be used to finance or refinance 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 no Contractual Disposition Arrangement is in effect.

(aa) The Institution 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 Institution is exempt from Federal income taxes under Section 501(a) of the Code.

(cc) The Institution 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 Institution is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of the IRS Determination Letter.

(dd) The Institution is not a “private foundation”, as defined in Section 509 of the Code.

(ee) The Institution is registered with the New York State Department of Education as an eligible education institution.

(ff) The Institution is formed under the Education Law of the State of New York and is chartered by the New York Board of Regents.

(gg) The Institution is accredited by the Middle States Commission on Higher Education.

(hh) Each item of the New Money Bond Financed Property constitutes personal property which is removable from the Improvements without causing damage to the Improvements.

(ii) No portion of the proceeds of the Series 2020 Bonds are being used to finance or refinance any facility, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship.

(jj) The Institution has not made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. The Institution has instituted and maintains policies and procedures designed to promote and achieve compliance with all applicable anti-corruption 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 Bondholder Representative and the Trustee (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 the 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, the Holders of any of the Bonds, the Bondholder Representative or the Master Trustee (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 any of the Master Trust Notes (Build NYC Resource Corporation) 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 in the Redemption Account of the Bond Fund (Tax-Exempt).

(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, 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 Bondholder Representative and the Trustee 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.

(g) Upon request by the Issuer, the Bondholder Representative or the Trustee, the Institution shall make available to the Issuer, the Bondholder Representative and the Trustee 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 Tax-Exempt 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 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 and the Master Trust Documents,

(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.

(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.

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, 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 in the Redemption Account of the Bond Fund (Tax-Exempt) and thereby cause a redemption of Tax-Exempt 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, \$25,000.

No such removal set forth in paragraph (i) or (ii) above shall be effected if (u) such removal would be a default under any of the Master Trust Documents, (v) such removal would cause the interest on the Tax-Exempt 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 Tax-Exempt 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 \$25,000, 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 Master Trust Notes (Build NYC Resource Corporation) 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 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 Facility.

(c) The Institution agrees, upon request of the Issuer, the Bondholder Representative or the Trustee, to furnish to the Issuer, the Bondholder Representative and the Trustee 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 and the Bondholder Representative) 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 Master Trustee a mortgagee title insurance policy in an amount not less than the Authorized Principal Amount of the Series 2020A Bonds and the Series 2020B Taxable Bonds, insuring the Master Trustee's interest under the Master 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 Master Trustee, the Trustee, the Bondholder Representative, 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 Master Trustee, the Trustee and the Bondholder Representative; (3) an undertaking by the title insurer to provide the notice of title continuation or endorsement; and (4) such other matters as the Master Trustee, the Trustee or the Bondholder Representative shall request. Any proceeds of such mortgagee title insurance shall be paid to the Master Trustee for application in accordance with the Master Trust Indenture.

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 SERIES 2020 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 Series 2020A Bonds and the Series 2020B Taxable Bonds and, when and if issued, the Series 2020C Bonds, to the Institution (the “**Loan**”). The Loan shall be made by (i) depositing on the Closing Date the proceeds from the sale of the Series 2020A Bonds and the Series 2020B Taxable Bonds into the Project Fund in accordance with Section 4.01 of the Indenture, and (ii) issuing the Series 2020C Bonds and effecting the redemption of the Series 2020B Taxable Bonds. Such proceeds so deposited shall be disbursed to or on behalf of the Institution as provided in Section 3.2(c) of this Agreement and Section 5.02 of the Indenture.

Section 4.2. Master Trust Notes (Build NYC Resource Corporation). The Institution’s obligation to repay the Loan shall be evidenced by this Agreement and each of the Master Trust Note (Build NYC Resource Corporation – Series 2020A) and the Master Trust Note (Build NYC Resource Corporation – Series 2020B/C). On the Closing Date, the Institution shall execute and deliver each of the Master Trust Note (Build NYC Resource Corporation – Series 2020A) and the Master Trust Note (Build NYC Resource Corporation – Series 2020B/C) payable to the Trustee.

Section 4.3. Loan Payments; Pledge of this Agreement.

(a) (i) The Institution covenants to pay the Master Trust Note (Build NYC Resource Corporation – Series 2020A) and repay the Loan with respect to the Series 2020A Bonds 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 no later than on each Loan Payment Date (except as provided in Section 4.3(a)(i) (2), (3), (4), (5) and (6) below which shall be paid on the respective due dates thereof) for deposit in the Bond Fund (Tax-Exempt) (except to the extent that amounts are on deposit in the Bond Fund (Tax-Exempt) and available therefor) in an amount equal to the sum of:

(1) with respect to interest due and payable on the Series 2020A Bonds, an amount equal to the quotient obtained by dividing the amount of interest on the Series 2020A Bonds Outstanding payable on the first Interest Payment Date (after taking into account any amount on deposit in the Interest Account of the Bond Fund (Tax-Exempt), and as shall be available to pay interest on the Series 2020A 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-sixth (1/6) of the amount of interest which will become due and payable on the Series 2020A Bonds on the next succeeding Interest Payment Date (after taking into account any amounts on deposit in the Interest Account of the Bond Fund (Tax-Exempt), and as shall be available to pay interest on the Series 2020A Bonds on such next succeeding Interest Payment Date); provided that in any event the aggregate amount so paid with respect to interest on the Series 2020A 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 Series 2020A Bonds on such immediately succeeding Interest Payment Date;

(2) with respect to principal due on the Series 2020A Bonds, on that Loan Payment Date as shall immediately precede the Maturity Date of the Series 2020A Bonds, an amount equal to the principal amount of the Series 2020A Bonds becoming due on such Maturity Date; provided that in the event of the acceleration of the principal of the Series 2020A Bonds, a loan payment in the amount of the unpaid principal amount of the Series 2020A Bonds Outstanding (together with all interest accrued thereon to the date of payment) shall be due and payable on such date of acceleration;

(3) on each Redemption Date, with respect to the Redemption Price due and payable on the Series 2020A Bonds, whether as an optional or mandatory redemption, an amount equal to the applicable Redemption Price together with accrued interest on the Series 2020A Bonds being redeemed on such Redemption Date;

(4) on the Series 2020 Bond Purchase Date, with respect to the Purchase Price due and payable on the Series 2020A Bonds pursuant to Section 2.04 of the Indenture, an amount equal to the Purchase Price of the Series 2020A Bonds;

(5) with respect to interest due and payable on the Series 2020A Bonds, the Institution shall further pay such additional amounts as set forth in Sections 2.02(c) and (d) of the Indenture in the event of the occurrence of a Determination of Taxability with respect to the Series 2020A Bonds or an Event of Default under the Indenture; and

(6) upon receipt by the Institution of notice from the Trustee pursuant to Section 5.09(f)(i) of the Indenture that the amount on deposit in the Debt Service Reserve Fund (Series 2020A) shall be less than the Debt Service Reserve Fund Requirement (Series 2020A), the Institution shall pay to the Trustee for deposit in the Debt Service Reserve Fund (Series 2020A) on the first day of the month immediately following the receipt by the Institution of notice of such deficiency, and on the first day of each of the five (5) succeeding months, an amount equal to one sixth (1/6th) of such deficiency in the Debt Service Reserve Fund (Series 2020A); provided, further, that if any additional deficiency occurs prior to the restoration of the original deficiency, such additional deficiency shall be restored in equal monthly installments over the remainder of the restoration period for the original deficiency.

(ii) The Institution covenants to pay the Master Trust Note (Build NYC Resource Corporation – Series 2020B/C) and repay the Loan with respect to the Series 2020B Taxable Bonds 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 no later than on each Loan Payment Date (except as provided in Section 4.3(a)(ii) (2), (3), (4), (5) and (6) below which shall be paid on the respective due dates thereof) for deposit in the Bond Fund (Taxable) (except to the extent that amounts are on deposit in the Bond Fund (Taxable) and available therefor) in an amount equal to the sum of:

(1) with respect to interest due and payable on the Series 2020B Taxable Bonds, an amount equal to the quotient obtained by dividing the amount of interest on the Series 2020B Taxable Bonds Outstanding payable on the first Interest Payment Date (after taking into account any amount on deposit in the Interest Account of the Bond Fund (Taxable), and as shall be available to pay interest on the Series 2020B Taxable 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-sixth (1/6) of the amount of interest which will become due and payable on the Series 2020B Taxable Bonds on the next succeeding Interest Payment Date (after taking into account any amounts on deposit in the Interest Account of the Bond Fund (Taxable), and as shall be available to pay interest on the Series 2020B Taxable Bonds on such next succeeding Interest Payment Date); provided that in any event the aggregate amount so paid with respect to interest on the Series 2020B Taxable 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 Series 2020B Taxable Bonds on such immediately succeeding Interest Payment Date;

(2) with respect to principal due on the Series 2020B Taxable Bonds, on that Loan Payment Date as shall immediately precede the Maturity Date of the Series 2020B Taxable Bonds, an amount equal to the principal amount of the Series 2020B Taxable Bonds becoming due on such Maturity Date; provided that in the event of the acceleration of the principal of the Series 2020B Taxable Bonds, a loan payment in the amount of the unpaid principal amount of the Series 2020B Taxable Bonds Outstanding (together with all interest accrued thereon to the date of payment) shall be due and payable on such date of acceleration;

(3) on each Redemption Date, with respect to the Redemption Price due and payable on the Series 2020B Taxable Bonds, whether as an optional or mandatory redemption, an amount equal to the applicable Redemption Price together with accrued interest on the Series 2020B Taxable Bonds being redeemed on such Redemption Date;

(4) on the Series 2020 Bond Purchase Date, with respect to the Purchase Price due and payable on the Series 2020B Taxable Bonds pursuant to Section 2.04 of the Indenture, an amount equal to the Purchase Price of the Series 2020B Taxable Bonds;

(5) with respect to interest due and payable on the Series 2020B Taxable Bonds, the Institution shall further pay such additional amounts as set forth in Section 2.02(c) of the Indenture in the event of the occurrence of an Event of Default under the Indenture; and

(6) upon receipt by the Institution of notice from the Trustee pursuant to Section 5.09(f)(ii) of the Indenture that the amount on deposit in the Debt Service Reserve Fund (Series 2020B/C) shall be less than the Debt Service Reserve Fund Requirement (Series 2020B), the Institution shall pay to the Trustee for deposit in the Debt Service Reserve Fund (Series 2020B/C) on the first day of the month immediately following the receipt by the Institution of notice of such deficiency, and on the first day of each of the five (5) succeeding months, an amount equal to one sixth (1/6th) of such deficiency in the Debt Service Reserve Fund (Series 2020 B/C); provided further, that if any additional deficiency occurs prior to the restoration of the original deficiency, such additional deficiency shall be restored in equal monthly installments over the remainder of the restoration period for the original deficiency.

(iii) The Institution covenants to pay the Master Trust Note (Build NYC Resource Corporation – Series 2020B/C) and repay the Loan with respect to the Series 2020C Bonds made pursuant to this Agreement following the Series 2020C Bond Issuance Date by making loan payments which the Issuer agrees shall be paid in immediately available funds by the Institution directly to the Trustee no later than on each Loan Payment Date commencing with the Loan Payment Date immediately following the Series 2020C Bond Issuance Date (except as provided in Section 4.3(a)(iii) (2), (3), (4), (5) and (6) below which shall be paid on the respective due dates thereof) for deposit in the Bond Fund (Tax-Exempt) (except to the extent that amounts are on deposit in the Bond Fund (Tax-Exempt) and available therefor) in an amount equal to the sum of:

(1) with respect to interest due and payable on the Series 2020C Bonds, an amount equal to the quotient obtained by dividing the amount of interest on the Series 2020C Bonds Outstanding payable on the first Interest Payment Date (after taking into account any amount on deposit in the Interest Account of the Bond Fund (Tax-Exempt), and as shall be available to pay interest on the Series 2020C Bonds on the first Interest Payment Date following the Series 2020C Bond Issuance Date) by the number of Loan Payment Dates between the Series 2020C Bond Issuance Date and the first Interest Payment Date following the Series 2020C Bond Issuance Date, and thereafter in an amount equal to one-sixth (1/6) of the amount of interest which will become due and payable on the Series 2020C Bonds on the next succeeding Interest Payment Date (after taking into account any amounts on deposit in the Interest Account of the Bond Fund (Tax-Exempt), and as shall be available to pay interest on the Series 2020C Bonds on such next succeeding Interest Payment Date); provided that in any event the aggregate amount so paid with respect to interest on the Series 2020C 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 Series 2020C Bonds on such immediately succeeding Interest Payment Date;

(2) with respect to principal due on the Series 2020C Bonds, on that Loan Payment Date as shall immediately precede the Maturity Date of the Series 2020C Bonds, an amount equal to the principal amount of the Series 2020C Bonds becoming due on such Maturity Date; provided that in the event of the acceleration of the principal of the Series 2020C Bonds, a loan payment in the amount of the unpaid principal amount of the Series 2020C Bonds Outstanding (together with all interest accrued thereon to the date of payment) shall be due and payable on such date of acceleration;

(3) on each Redemption Date, with respect to the Redemption Price due and payable on the Series 2020C Bonds, whether as an optional or mandatory redemption, an amount equal to the applicable Redemption Price together with accrued interest on the Series 2020C Bonds being redeemed on such Redemption Date;

(4) on the Series 2020 Bond Purchase Date, with respect to the Purchase Price due and payable on the Series 2020C Bonds pursuant to Section 2.04 of the Indenture, an amount equal to the Purchase Price of the Series 2020C Bonds;

(5) with respect to interest due and payable on the Series 2020C Bonds, the Institution shall further pay such additional amounts as set forth in Sections 2.02(c) and (d) of the Indenture in the event of the occurrence of a Determination of Taxability with respect to the Series 2020C Bonds or an Event of Default under the Indenture; and

(6) upon receipt by the Institution of notice from the Trustee pursuant to Section 5.09(f)(i) of the Indenture that the amount on deposit in the Debt Service Reserve Fund (Series 2020B/C) shall be less than the Debt Service Reserve Fund Requirement (Series 2020C), the Institution shall pay to the Trustee for deposit in the Debt Service Reserve Fund (Series 2020B/C) on the first day of the month immediately following the receipt by the Institution of notice of such deficiency, and on the first day of each of the five (5) succeeding months, an amount equal to one sixth (1/6th) of such deficiency in the Debt Service Reserve Fund (Series 2020B/C); provided, further, that if any additional deficiency occurs prior to the restoration of the original deficiency, such additional deficiency shall be restored in equal monthly installments over the remainder of the restoration period for the original deficiency.

(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) (i) The Institution has the option to make advance loan payments for deposit in the Bond Fund (Tax-Exempt) to effect the retirement, defeasance or redemption of the Series 2020A Bonds in whole or in part, all in accordance with the terms of the Indenture;

provided, however, that no partial redemption of the Series 2020A 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 Bondholder Representative and 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 Series 2020A 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 Series 2020A Bonds are to be redeemed (which date shall be not earlier than forty-five (45) days after the date of such notice). Such advance loan payment shall be paid to the Trustee in legal tender, for deposit in the Redemption Account of the Bond Fund (Tax-Exempt) on or before the Redemption Date and shall be an amount which, when added to the amounts on deposit in the Bond Fund (Tax-Exempt) and available therefor, will be sufficient to pay the Redemption Price of the Series 2020A 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.

(ii) The Institution has the option to make advance loan payments for deposit in the Bond Fund (Taxable) to effect the retirement, defeasance or redemption of the Series 2020B Taxable Bonds in whole or in part, all in accordance with the terms of the Indenture; provided, however, that no partial redemption of the Series 2020B Taxable 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 Bondholder Representative and 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 Series 2020B Taxable 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 Series 2020B Taxable Bonds are to be redeemed (which date shall be not earlier than forty-five (45) days after the date of such notice). Such advance loan payment shall be paid to the Trustee in legal tender, for deposit in the Redemption Account of the Bond Fund (Taxable) on or before the Redemption Date and shall be an amount which, when added to the amounts on deposit in the Bond Fund (Taxable) and available therefor, will be sufficient to pay the Redemption Price of the Series 2020B Taxable 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.

(iii) The Institution has the option to make advance loan payments for deposit in the Bond Fund (Tax-Exempt) to effect the retirement, defeasance or redemption of the Series 2020C Bonds in whole or in part, all in accordance with the terms of the Indenture; provided, however, that no partial redemption of the Series 2020C 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 Bondholder Representative and 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 Series 2020C 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 Series 2020C Bonds are to be redeemed (which date shall be not earlier than forty-five (45) days after the date of such notice). Such advance loan payment shall be paid to the Trustee in legal tender, for deposit in the Redemption Account of the Bond Fund (Tax-Exempt) on or before the Redemption Date and shall be an amount which, when added to the amounts on deposit in the Bond Fund (Tax-Exempt) and available therefor, will be sufficient to pay the Redemption Price of the Series 2020C 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.

(iv) 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, the Bondholder Representative 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. 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 Bondholder Representative, 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 inverse 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 Series 2020 Bond, the Institution shall notify the Trustee and

the Bondholder Representative in writing of the amount of Defaulted Interest proposed to be paid on such Series 2020 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 X of the Indenture.

(g) Any amounts remaining in the Earnings Fund, the Rebate Fund, the Bond Fund (Tax-Exempt), the Bond Fund (Taxable), the Debt Service Reserve Fund (Series 2020A), the Debt Service Reserve Fund (Series 2020B/C) or the Project Fund after payment in full of (w) the Bonds (in accordance with Article X of the Indenture), (x) the fees, charges and expenses of the Issuer, the Trustee, the Bondholder Representative, 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 Security 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, (y) if the amount on deposit and available in the Bond Fund (Tax-Exempt) is not sufficient to pay the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Tax-Exempt 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 (Tax-Exempt) and (z) if the amount on deposit and available in the Bond Fund (Taxable) is not sufficient to pay the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Taxable 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 (Taxable).

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 Master Trust Notes (Build NYC Resource Corporation) 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 Master Trust Notes (Build NYC Resource Corporation) 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 Master Trust Notes (Build NYC Resource Corporation) to pay the loan payments and all other payments provided for in this Agreement and in the Master Trust Notes (Build NYC Resource Corporation) 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, the Holder of any Bond, the Bondholder Representative or the Master Trustee, 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 or swap arrangement 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 Master Trust Notes (Build NYC Resource Corporation).

Section 4.6. Advances by the Issuer, the Bondholder Representative or the Trustee. 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 any of the Master Trust Notes (Build NYC Resource Corporation) or under any other Security Document, the Issuer, the Bondholder Representative or the Trustee, 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 Bondholder Representative or the Trustee, necessitates immediate action), may (but shall not be obligated to), and without waiver of any of the rights of the Issuer, the Bondholder Representative or the Trustee under this Agreement or any other Security Document to which the Issuer or the Trustee 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 Bondholder Representative or the Trustee shall become an additional obligation of the Institution to the Issuer, the Bondholder Representative 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 Bondholder Representative or the Trustee, as applicable. Any remedy vested in the Issuer, the Bondholder Representative 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 Master Trust Notes (Build NYC Resource Corporation) or under any other Security Document shall also be available to the Issuer, the Bondholder Representative 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, that the Project Work is complete, 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 Institution 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 Institution 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 subleased all or part of the Facility Realty in violation of Section 8.9.

(vii) The Institution 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 Institution 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 Institution 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 Institution at the Facility Realty prior to relocation, and (C) the Institution 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 Institution 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:

(A) 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

(B) 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 5.1, 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 Master Trust Notes (Build NYC Resource Corporation) 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, any of the Master Trust Notes (Build NYC Resource Corporation) or any other Security Document, or eliminate or reduce its payments hereunder, under any of the Master Trust Notes (Build NYC Resource Corporation) or under any other Security Document, and

(iii) the Institution will promptly give written notice of such Loss Event to the Issuer, the Bondholder Representative and the Trustee, generally describing the nature and extent thereof.

Section 6.2. Net Proceeds.

(a) The Issuer, the Trustee, the Bondholder Representative 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, the Bondholder Representative and the Trustee (such approvals not to be unreasonably withheld).

(b) The Net Proceeds with respect to the Facility shall be paid to the Master Trustee to be applied in accordance with the Master Trust Indenture.

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 available to the Institution or 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, any Bondholder, the Bondholder Representative or the Master Trustee, nor shall the loan payments or other amounts payable by the Institution under this Agreement or the Master Trust Notes (Build NYC Resource Corporation) 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 ninety (90) days after the occurrence of a Loss Event, the Institution shall advise the Issuer, the Bondholder Representative and the Trustee 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) and in the Master Trust Indenture, the Institution shall so proceed in accordance therewith and herewith. If the Institution shall exercise its option in Section 6.3(a)(ii), the Net Proceeds (if any) received by the Trustee (from the Master Trustee under the Master Trust Indenture) shall be deposited Pro Rata in each Redemption Account of the Bond Funds, and the Institution shall thereupon pay to the Trustee for deposit in the Redemption Account of each Bond Fund an amount which, when added to any amounts then in each such Account 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 Funds, 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 Master Mortgage,

(ii) be effected only if the Institution shall deliver to the Issuer, the Bondholder Representative and the Trustee a certificate from an Authorized Representative of the Institution acceptable to the Issuer, the Bondholder Representative 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), 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, the Bondholder Representative 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 Bondholder Representative and 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 this Agreement and, if applicable, subject to the mortgage Lien and security interest of the Master Mortgage, subject to Permitted Encumbrances, and (v) 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, the Bondholder Representative 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 Bondholder Representative and 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 Bondholder Representative and 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, the Bondholder Representative and the Trustee.

ARTICLE VII

COVENANTS OF THE ISSUER

Section 7.1. Master Assignment of Mortgage and Master Assignment of ALR. On the Closing Date, the Issuer will execute and deliver to the Master Trustee the Master Assignment of Mortgage and the Master Assignment of ALR.

Section 7.2. Issuance of Series 2020A Bonds and Series 2020B Taxable Bonds. On the Closing Date, subject to the satisfaction of the conditions to the issuance of the Series 2020A Bonds and the Series 2020B Taxable Bonds, the Issuer will sell and deliver the Series 2020A Bonds and the Series 2020B Taxable Bonds in the respective Authorized Principal Amount under and pursuant to the Bond Resolution and under and pursuant to the Indenture. The proceeds of sale of the Series 2020A Bonds and the Series 2020B Taxable 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 Series 2020 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, 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 this Agreement (except for the Issuer's Reserved Rights), including all loan payments hereunder and under the Master Trust Notes (Build NYC Resource Corporation), and in furtherance of such pledge, the Issuer will unconditionally assign such loan payments to the Trustee for deposit in the Bond Funds 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.

(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:

(A) 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 Project Work;

(B) Auto liability insurance in accordance with the requirements in Section 8.1(b); and

(C) 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 Insured 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:

(A) 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);

(B) Auto Liability insurance in accordance with the requirements in Section 8.1(b); and

(C) Workers' Compensation in accordance with the requirements in Section 8.1(b).

(d) Required Policy Attributes. Except as the Issuer, the Trustee, the Bondholder Representative and the Master Trustee shall expressly otherwise severally 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, the Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative and the Master Trustee as additional insureds on a primary and non-contributory basis via ISO endorsements CG 20 26 and CG 20 37 or their equivalents and the endorsements must specifically identify the Issuer, the Trustee, the Bondholder Representative and the Master 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 and the Bondholder Representative. If the Insured intends to renew its CGL on a form that is not ISO Form CG-0001, it shall provide the Issuer, the Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative or the Master 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:

(A) contractual liability coverage insuring the contractual obligations of the Insured;

(B) employer's liability coverage;

(C) coverage for claims arising under New York Labor Law;

(D) the right of the Insured to name additional insureds including the Issuer, the Trustee, the Bondholder Representative and the Master Trustee; and

(E) the applicability of CGL coverage to the Issuer, the Trustee, the Bondholder Representative and the Master 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 and/or the Bondholder Representative and/or the Master Trustee by employees of the Insured, or (y) claims against the Issuer and/or the Trustee and/or the Bondholder Representative and/or the Master 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 and/or the Bondholder Representative and/or the Master 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 and/or the Bondholder Representative and/or the Master 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, the Trustee, the Bondholder Representative and the Master Trustee as additional insureds.

(xi) Each Policy under which the Issuer, the Trustee, the Bondholder Representative and the Master Trustee is an additional insured shall provide that the Issuer, the Trustee, the Bondholder Representative and the Master 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 the 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 the Insured is to be a primary insured, the Insured shall deliver to the Issuer, the Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative or the Master Trustee. If the Certificate in question evidences CGL, such Certificate shall name the Issuer, the Trustee, the Bondholder Representative and the Master Trustee as additional insureds in the following manner:

*Build NYC Resource Corporation, U.S. Bank National Association,
as Trustee, Hamlin Capital Management, LLC, as Bondholder
Representative, and UMB Bank, National Association, as Master*

Trustee, are each additional insureds on a primary and non-contributory basis. The referenced CGL is written on a manuscript form equivalent to 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: 180 Remsen Street, Brooklyn, New York 11201;

(ii) CGL. With respect to CGL on which the Insured is to be a primary insured, the Insured shall additionally deliver to the Issuer, the Trustee, the Bondholder Representative and the Master Trustee the following:

(A) Prior to the Closing Date, the Insured shall deliver to the Issuer, the Trustee, the Bondholder Representative and the Master Trustee the declarations page and the schedule of forms and endorsements pertinent thereto.

(B) Upon the expiration or sooner termination of any CGL, the Insured shall deliver to the Issuer, the Trustee, the Bondholder Representative and the Master Trustee a declarations page and a schedule of forms and endorsements pertinent to the new or replacement CGL.

(C) Prior to the commencement of any Construction, the Insured shall deliver to the Issuer, the Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative and the Master Trustee, in a form satisfactory to the Issuer, the Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative or the Master Trustee, cause any and all Contractors to provide evidence, satisfactory to the Issuer, the Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative and the Master 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, the Insured is required to obtain the consent of the Issuer and/or the Trustee and/or the Bondholder Representative and/or the Master Trustee, the Institution shall request such consent in a writing provided to the Issuer and/or the Trustee and/or the Bondholder Representative and/or the Master 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 the 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, the Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative or the Master Trustee for the purpose of protecting the Issuer, the Trustee, the Bondholder Representative and the Master Trustee against third-party claims, then the Issuer, the Trustee, the Bondholder Representative or the Master 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) NONE OF THE ISSUER, THE TRUSTEE, THE BONDHOLDER REPRESENTATIVE OR THE MASTER TRUSTEE 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, the Bondholder Representative, the Master 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.

Section 8.2. Indemnity.

(a) The Institution shall at all times indemnify, defend, protect and hold the Issuer, the Trustee, the Master 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, fees, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs, charges and expenses, including, without limitation, attorney, consultant and other expert fees, accountants, investigation and laboratory fees, court costs, litigation expenses and amounts paid in settlement and amounts paid to discharge judgments (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, resale, remarketing, redemption or defeasance of the Bonds, or any portion thereof, for such purpose,

(ii) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure for any of the Bonds or any of the documents relating to any of the Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for any of the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading,

(iii) any declaration of taxability of interest on the Tax-Exempt Bonds, or allegations that interest on the Tax-Exempt Bonds is taxable or any regulatory audit or inquiry regarding whether interest on the Tax-Exempt Bonds is taxable,

(iv) the Trustee's acceptance of administration of the trust under any of the Security Documents, or the exercise or performance of any of its powers or duties thereunder,

(v) the Bondholder Representative (or any related Indemnified Party) acting in a fiduciary capacity with regard to giving any approval, consent, waiver or direction, and the exercise by the Bondholder Representative of any remedies, including, without limitation, acceleration,

(vi) 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,

(vii) the maintenance, repair, replacement, restoration, rebuilding, construction, renovation, upkeep, use, occupancy, ownership, leasing, subletting or operation of the Facility or any portion thereof,

(viii) 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,

(ix) any act or omission of the Institution or any of its Affiliates, students, faculty, administrators, visitors, employees, servants, tenants or licensees in connection with the Project or the Facility, the operation of the Facility, or the condition (environmental or otherwise), occupancy, use, possession, conduct or management of work done in or about, or from the planning, design or effectuation of the Project Work or any part thereof;

(x) any damage, injury or death to any Person, or any damage to property of any Person in or on the premises of the Facility,

(xi) any lien or charge upon payments by the Institution under any of the Project Documents, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, imposition, and other charges imposed on any Indemnified Party in respect of any portion of the Facility,

(xii) 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

(xiii) 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 Bondholder Representative, 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 Bondholder Representative, including reasonable counsel fees,

(iv) the reasonable fees, charges, and expenses of the Trustee for extraordinary services rendered by it under the Indenture, including reasonable counsel fees, 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 Work or of any replacement, repair, restoration or reconstruction of the Facility pursuant to Article VI, it will cause Exhibit B-1 — “Description of the Facility Personalty”, and Exhibit B-2 – “Description of the New Money Bond Financed Property”, together with the “Description of the Facility Personalty” and “Description of the New Money Bond Financed Property” attached as part of the appendices to the Indenture and this Agreement, to be an accurate and complete description of all current items of Facility Personalty and of the New Money Bond Financed Property. 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-1 — “Description of the Facility Personalty” and Exhibit B-2 – “Description of the New Money Bond Financed Property”, together with the “Description of the Facility Personalty” and the “Description of the New Money Bond Financed Property” in the appendices attached as part of the Indenture and this Agreement, and the Institution shall from time to time prepare and deliver to the Issuer, the Trustee and the Bondholder Representative supplements to such Appendices in compliance with the foregoing. Such supplements shall be executed and delivered by the appropriate parties.

Section 8.5. Signage at Facility Site. Promptly following the Closing Date, 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**”):

*FINANCIAL ASSISTANCE PROVIDED
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) [Reserved]

(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.

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, the Trustee and the Bondholder Representative (which consents may be withheld by the Issuer, the Trustee or the Bondholder Representative in their absolute discretion); provided further, that the following conditions must be satisfied on or prior to the date the Issuer, the Trustee and the Bondholder Representative consent to any such assignment or transfer:

(i) the Institution shall have delivered to the Issuer, the Trustee and the Bondholder Representative 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 Trustee, the Bondholder Representative and the Master 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, the Trustee, the Bondholder Representative and the Master 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 Master Trust Notes (Build NYC Resource Corporation) 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) to the extent that such assignment or transfer may result in a Contractual Disposition Arrangement, compliance with the provisions of Section 8.10(a)(ii);

(ix) each such assignment shall contain such other provisions as the Issuer, the Trustee, the Bondholder Representative or the Master Trustee may reasonably require; and

(x) 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 Tax-Exempt Bonds then Outstanding from gross income for federal income tax purposes.

The Institution shall furnish or cause to be furnished to the Issuer, the Trustee, the Bondholder Representative and the Master 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, without the prior written consents of the Issuer, the Bondholder Representative and the Trustee (which consents may be withheld by the Issuer, the Bondholder Representative or the Trustee in their absolute discretion); nor shall the Institution lease part (*i.e.*, not constituting substantially all) of the Facility without the prior written consents of the Issuer, the Bondholder Representative 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, the Bondholder Representative and the Trustee consent to any such letting:

(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 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 Master Trust Notes (Build NYC Resource Corporation) 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 Facility Improvements Square Footage shall be leased by the Institution;

(vii) an Opinion of Counsel shall have been delivered and addressed to the Issuer, the Bondholder Representative 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 Master Trust Notes (Build NYC Resource Corporation) 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 8.1 or under any other Project Document and the Institution shall furnish written evidence satisfactory to the Issuer, the Bondholder Representative, the Trustee and the Master Trustee 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) to the extent that such lease may result in a Contractual Disposition Arrangement, compliance with the provisions of Section 8.10(a)(ii);

(xi) each such lease shall contain such other provisions as the Issuer, the Bondholder Representative or the Trustee may reasonably require; and

(xii) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer, the Bondholder Representative and the Trustee, to the effect that such lease shall not affect the exclusion of the interest on any Tax-Exempt Bonds then Outstanding from gross income for federal income tax purposes.

The Institution shall furnish or cause to be furnished to the Issuer, the Bondholder Representative 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, the Bondholder Representative 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, the Bondholder Representative and the Trustee consent to any other or subsequent assignment, transfer or lease, or as modifying or limiting the rights of the Issuer, the Bondholder Representative 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; Contractual Disposition Arrangement; Grant of Easements; Release of Portions of Facility.

(a) (i) 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, 8.10(a)(ii) and 9.2 or in this Section, without (i) the prior written consents of the Issuer, of the Bondholder Representative and of the Trustee and (ii) the Institution delivering to the Trustee, the Bondholder Representative 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 Tax-Exempt Bonds then Outstanding from gross income for federal income tax purposes. Any purported disposition without such consents and opinion shall be void.

(ii) Promptly following the Institution entering into a Contractual Disposition Arrangement, the Institution shall deliver to the Issuer, the Trustee, the Bondholder Representative and Nationally Recognized Bond Counsel all documentation relating to the Contractual Disposition Arrangement (and if later amended, any amendments thereto promptly following the execution thereof), accompanied by a certificate of an Authorized Representative of the Institution certifying (y) that such documentation is correct and complete, and (z) as to the material contingencies required for the effectuation of the transaction contemplated by the Contractual Disposition Arrangement (the “Material Contingencies”). The Institution covenants and agrees to act with all good faith, commercially reasonable diligence to promptly satisfy all of such Material Contingencies. Upon the satisfaction (or waiver, if applicable) of the last Material Contingency, the Institution shall deliver a certificate of an Authorized Representative of the Institution to the Issuer, the Trustee, the Bondholder Representative and Nationally Recognized Bond Counsel certifying that such last Material Contingency has been satisfied (or waived, if applicable), and stating the date upon which such satisfaction (or waiver) occurred (the “Final Material Contingency Satisfaction Date”). Upon the six-month anniversary of the Final Material Contingency Satisfaction Date, a Determination of Taxability shall be deemed to have occurred.

(b) The Institution may, with the prior written consents of the Issuer, the Bondholder Representative 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, 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 Pro Rata in the Redemption Accounts of each 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.

(c) So long as there exists no Event of Default hereunder, and the Institution delivers to the Trustee, the Bondholder Representative and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the following action will not affect the exclusion of the interest on any Tax-Exempt Bonds then Outstanding from gross income for federal income tax purposes, the Institution may from time to time request in writing to the Issuer and the Trustee the release of and removal from the property comprising the Facility under this Agreement, of any unimproved part of the Land (on which none of the Improvements, including the buildings, structures, major appurtenances, fixtures or other property comprising the Facility Realty, is situated); provided that such release and removal will not adversely affect the use or operation of the Facility as the Approved Facility. Upon any such request by the Institution, the Issuer shall, at the sole cost and expense of the Institution, cause and direct the Trustee to execute and deliver any and all instruments necessary or appropriate to so release and remove such unimproved Land from the property comprising the Facility under this Agreement, subject to the following:

(i) any Liens, easements, encumbrances and reservations to which title to said property was subject on the Closing Date;

(ii) any Liens, easements and encumbrances created at the request of the Institution or to the creation or suffering of which the Institution consented;

(iii) any Liens and encumbrances or reservations resulting from the failure of the Institution to perform or observe any of the agreements on its respective part contained in this Agreement or any other Project Document;

(iv) Permitted Encumbrances; and

(v) any Liens for taxes or assessments not then delinquent;

provided, however, that no such release shall be effected unless the following conditions have been satisfied:

(1) the Trustee and the Bondholder Representative shall have received a certificate of an Independent Engineer, dated not more than sixty (60) days prior to the date of the release, stating that, in the opinion of the person signing such certificate, the unimproved Land and the release thereof so proposed to be made is not needed for the operation of the remaining Facility, will not adversely affect the use or operation of the Facility as the Approved Facility and will not destroy the means of ingress thereto and egress therefrom;

(2) the Trustee shall have received an amount of cash for deposit Pro Rata in the Redemption Account of each Bond Fund equal to the greatest of (A) the original cost of the unimproved Land so released, such allocable cost to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City, (B) the fair market value of such unimproved Land, such value to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City, and (C) if such unimproved Land is released in connection with its sale, the amount received by the Institution upon such sale; and

(3) the released land shall remain subject to the Master Mortgage and the Master Assignment of Leases and Rents.

(d) 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 Master Trust Notes (Build NYC Resource Corporation) 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 Master Trust Notes (Build NYC Resource Corporation) 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, the Bondholder Representative 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, the Bondholder Representative 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 Master Trust Notes (Build NYC Resource Corporation) 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 Master Trust Notes (Build NYC Resource Corporation) 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, the Bondholder Representative 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, the Bondholder Representative 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, 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 Series 2020 Bonds, and because the Series 2020 Bonds are municipal debt securities with a term that is under twenty (20) years in duration, there is a 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.

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 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 fifth (5th) 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 fifth (5th) anniversary of the Closing Date, and (z) every five-year anniversary thereafter through the term of the Series 2020 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: (1) what Continuation Actions are

necessary; and (2) the deadline dates for the required Continuation Actions; and (3) 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 Master Trust Notes (Build NYC Resource Corporation) 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 Master Mortgage.

Section 8.14. Documents 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 \$25,000 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 Work, the Institution shall deliver to the Issuer the certificate as to Project Work 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 \$25,000 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 \$25,000 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, 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, 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.

(g) The Institution shall deliver to the Issuer a copy of any notice given to the MSRB, or posted to the MSRB's Electronic Municipal Market access system or the Securities and Exchange Commission pursuant to Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission or to the Trustee, promptly after the same is so given.

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 Master Trust Notes (Build NYC Resource Corporation) 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, the Bondholder Representative 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 Master Trust Notes (Build NYC Resource Corporation) 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 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 Master Trust Notes (Build NYC Resource Corporation) 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, the Bondholder Representative 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, the Bondholder Representative 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 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, the Bondholder Representative 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 Master Trust Notes (Build NYC Resource Corporation) 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, the Bondholder Representative 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, the Bondholder Representative 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 and the Bondholder Representative and their respective duly authorized agents, at all reasonable times upon written notice 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; provided, however, that no such prior written notice shall be required if an emergency condition shall exist. The Institution will further permit the Issuer, or its duly authorized agent, upon reasonable notice, 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.

(d) No portion of the Facility financed or refinanced from the proceeds of the Bonds will be used for any facility, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship.

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 not-for-profit education 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).

(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,

(3) the Institution shall deliver to the Issuer, the Bondholder Representative and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Tax-Exempt Bonds to become includable in gross income for federal income tax purposes,

(4) the Bondholder Representative shall have delivered its written consent to such Merger or Transfer, 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 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 Bondholder Representative shall have delivered its written consent to such Merger or Transfer,

(5) 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) 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,

(7) the Successor Institution shall have delivered to the Issuer, the Bondholder Representative and the Trustee, in form and substance acceptable to the Issuer, the Bondholder Representative 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,

(8) the Successor Institution shall have delivered to the Issuer, the Bondholder Representative and the Trustee, in form and substance acceptable to the Issuer, the Bondholder Representative 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, and

(9) the Successor Institution delivers to the Issuer, the Bondholder Representative and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Tax-Exempt 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 and the Bondholder Representative prompt written notice thereof (including all details that would result in a change to Exhibit D — “Principals of Institution”) 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 exemption under Section 501 of the Code;

(b) not use more than three percent (3%) of the direct or indirect proceeds of the Tax-Exempt 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 Tax-Exempt 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 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 Tax-Exempt Bonds to be “arbitrage bonds” under the Code or cause the interest paid by the Issuer on the Tax-Exempt Bonds to be subject to Federal income tax in the hands of the Holders thereof; and

(e) use its best efforts to maintain the tax-exempt status of the Tax-Exempt 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, the Bondholder Representative 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, the Bondholder Representative 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 Tax-Exempt 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 and the Bondholder Representative.

(a) The Institution shall furnish or cause to be furnished to the Trustee and the Bondholder Representative those documents, financial statements, notices and other materials as and when required to be delivered by the Institution under Section 4.15 of the Master Trust Indenture.

(b) The Institution shall also deliver to the Trustee and the Bondholder Representative with each delivery of annual financial statements required by Section 8.26(a):

(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 of the other Project Documents, 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, the Trustee and the Master Trustee and are in full force and effect.

(c) In addition, upon twenty (20) days prior request by the Trustee or the Bondholder Representative, the Institution will execute, acknowledge and deliver to the Issuer, the Trustee and the Bondholder Representative 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 and the Bondholder Representative 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, if required by Securities and Exchange Commission Rule 15c2-12(b)(5), 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 the Bondholder Representative 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. [Reserved].

Section 8.29. [Reserved].

Section 8.30. Living Wage.

(a) The Institution acknowledges and agrees that it has received “financial assistance” as defined in the LW Law. The Institution agrees to comply with all applicable requirements of the LW Law. The 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 the Institution, an Affiliate of the Institution or any tenant, subtenant, leaseholder or subleaseholder of the Institution or of an Affiliate of the 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 the 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) the Institution, (b) a Site Affiliate, (c) a tenant, subtenant, leaseholder or subleaseholder of the Institution or of an Affiliate of the 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 the 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 the Institution or its Site Affiliates in respect of the direct Site Employees of the 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 the 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 the Institution in respect of the Site Employees of a Covered Counterparty that is not an Affiliate of the 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 the Institution is no longer receiving financial assistance under this Agreement or (b) the date that is ten years after the completion of the Project Work.

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 the Institution or a Site Affiliate in accordance with this Section 8.30 to the 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 the 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 the 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 the Institution is a Covered Employer, the Institution shall pay each of its direct Site Employees no less than an LW. During the LW Term, the 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 the Institution is a Covered Employer (or if and for so long as a Site Affiliate is a Covered Employer, as applicable), the

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 the 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 the Institution is a Covered Employer (or if and for so long as a Site Affiliate is a Covered Employer, as applicable), the 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 the Institution is a Covered Employer, the 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. The 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. The 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 the 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, the Institution shall deliver written notice to the Issuer, the DCA and the Comptroller within 30 days thereof.

(h) The 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. The 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. The 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 the 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 the 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 the Institution set forth in this Section 8.30 may not be amended, modified or rescinded by the Institution without the prior written consent of the Issuer or the DCA.

(i) No later than 30 days after the Institution's receipt of a written request from the Issuer, the DCA and/or the Comptroller, the Institution shall provide to the Issuer, the DCA and the Comptroller (i) a certification stating that all of the direct Site Employees of the Institution and its Site Affiliates are paid no less than an LW (if such obligation is applicable hereunder) and stating that the 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 the Institution or of any Site Affiliate (if applicable), and/or (iv) any other documents or information reasonably related to the determination of whether the 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, the 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 the 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 the Institution's receipt of the LW Violation Notice, the 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. The 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 the Institution and deliver to the 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 the Institution's receipt of the LW Violation Initial Determination, the 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, the 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 the 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. The 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 the Institution or any Site Affiliate in respect of any direct Site Employees of the Institution or of a Site Affiliate, at the direction of the Issuer or the DCA (but not both), (A) the Institution shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of the 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 the Institution, the 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 the Institution or any Site Affiliate in respect of any direct Site Employees of the Institution or of a Site Affiliate, at the direction of the Issuer or the DCA (but not both), (A) the Institution shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of the Institution or of a Site Affiliate to such direct Site Employees, and the 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 the Institution, the 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 the Institution or any Site Affiliate in respect of any direct Site Employees of the Institution or of a Site Affiliate, if the aggregate amount of Owed Monies and Owed Interest paid or payable by the Institution in respect of the direct Site Employees of the 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 the 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), the 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 the 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 the 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), the 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 the Institution.

(vi) The 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 the 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 the 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 the 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 the 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.

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);

(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, 8.10, 8.11, 8.13, 8.17, 8.18, 8.20, 8.21, 8.22, 8.26, 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, the Bondholder Representative, 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 Bondholder Representative, the Trustee 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 sixty (60) days of delivery of said 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, the Bondholder Representative or the initial purchaser(s) of the Bonds 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, 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 Master Mortgage;

(h) An “Event of Default” under the Indenture or under any other Project Document shall occur and be continuing;

(i) The occurrence of an LW Event of Default; or.

(j) Failure of the Institution to pay the amount required of it under Section 4.3(a)(i)(6), 4.3(a)(ii)(6) or 4.3(a)(iii)(6) when required thereunder.

Section 9.2. Remedies on Default. (a) Whenever any Event of Default referred to in Section 9.1 shall have occurred and be continuing, the Issuer, or the Trustee (with the consent of the Bondholder Representative or shall, if acting at the direction of the Bondholder Representative) where so provided, 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 (with the consent of the Bondholder Representative or shall, if acting at the direction of the Bondholder Representative) 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 Bondholder Representative, the Holders of the Bonds or any other Person being a condition to such acceleration;

(ii) The Issuer may or the Trustee may (with the consent of the Bondholder Representative or shall, if acting at the direction of the Bondholder Representative) 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 (with the consent of the Bondholder Representative or shall, if acting at the direction of the Bondholder Representative) may take any action permitted under the Indenture 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) The following additional remedies shall also be available to the Trustee who may (with the consent of the Bondholder Representative), or shall, at the direction of the Bondholder Representative, exercise same:

(i) to the extent permitted by law, (A) replace any manager(s) or management company utilized by the Institution, and/or (B) require the nominating committee of the Board of Trustees of the Institution, in accordance with the Institution's by-laws, to select, from a slate of no less than three (3) qualified Independent nominees proposed by the Bondholder Representative, a trustee to be appointed by such Board, it being required that no such nominee shall have any conflict in any relationship with the Bondholder Representative that would impair his or her ability to serve as a fiduciary of the Institution,

(ii) to enter into the Facility and take action at the cost and expense of the Institution to ready the Facility to be marketed, and/or

(iii) enter into any agreement with a consultant approved by the Bondholder Representative and at the sole cost and expense of the Institution, obtain recommendations for such consultant as to action to be taken by the Institution, and the Institution covenants and agrees to comply with the recommendations of such consultant.

(d) In the event that the Institution fails to pay when due any amount required to be paid under Section 4.3 or any other amounts due under this Agreement, the Institution authorizes any attorney at law licensed in the State to appear on behalf of the Institution in any

court having jurisdiction in one or more proceedings, or before any clerk thereof or protonotary or other court official, and to confess judgment against the Institution, without prior notice or opportunity of the Institution for prior hearing, in favor of the Issuer, the Trustee and the Bondholder Representative for the full amount due under this Agreement and the other Security Documents plus court costs and reasonable attorneys' fees incurred to confess judgment. The Institution waives the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Institution any right or privilege of exemption, appeal, stay of execution, or supplementary proceedings, inquisition, extension upon any levy on real estate or personal property, and any other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment. The authority and power to appear for and enter judgment against the Institution shall not be exhausted by one or more exercises thereof, or by any imperfect exercise thereof, and shall not be extinguished by any judgment entered pursuant thereto; such authority and power may be exercised on one or more occasions from time to time, in the same or different jurisdictions, as often as the Issuer, the Trustee or the Bondholder Representative shall deem necessary or advisable, for all of which this Agreement shall be sufficient authority.

Notwithstanding the foregoing, in enforcing any judgment by confession obtained against the Institution in connection with this Agreement, the Trustee shall not retain, solely with respect to attorney's fees incurred by the Trustee or the Bondholder Representative in connection with this Agreement, any amounts in excess of the actual amount of attorneys' fees charged or billed to the Trustee or the Bondholder Representative.

The Trustee and Bondholder Representative shall be entitled to recover their reasonable attorney's fees and expenses in connection with enforcing any judgment by confession obtained against the Institution, and each of the Trustee and the Bondholder Representative shall be entitled to recover its reasonable attorney's fees and expenses in connection with the enforcement of any other provision contained in this Agreement.

(e) 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 Master Trust Notes (Build NYC Resource Corporation), irrespective of whether the principal of the Bonds (and the loan payments payable pursuant to the Master Trust Notes (Build NYC Resource Corporation) 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, the Bondholder Representative or the Trustee under this Agreement shall be cumulative and shall not exclude any other rights and remedies of the Issuer, the Bondholder Representative or the Trustee allowed by law with respect to any default under this Agreement. Failure by the Issuer, the Bondholder Representative 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. The Trustee shall not provide any waiver except with the consent, or at the direction, of the Bondholder Representative. 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 and/or the Trustee and/or the Bondholder Representative and the Institution or any delay or omission on the part of the Issuer and/or the Trustee and/or the Bondholder Representative 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, the Bondholder Representative, the Trustee or the Master Trustee, any valuation, inquisition, stay, appraisalment, 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, the Bondholder Representative 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, the Bondholder Representative or the Trustee, then, and in every such case, the Issuer, the Trustee, the Bondholder Representative 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, the Bondholder Representative 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, the Bondholder Representative 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, the Bondholder Representative 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.

Regardless of whether any action or proceeding is commenced, the Institution shall pay all costs and expenses of the Issuer, the Bondholder Representative and the Trustee, including, without limitation, attorney's fees and expenses, incurred by the Issuer, the Bondholder Representative or the Trustee in: (i) collecting, compromising, and enforcing payment of the amounts due under this Agreement, (ii) preserving, exercising, and enforcing the rights and remedies of the Issuer under this Agreement and the other Security Documents, and (iii) protecting, defending, and preserving the validity and priority of the Liens and security interests granted under the Project Documents. In addition, the Institution shall pay all costs and expenses of the Issuer, the Bondholder Representative, and the Trustee including, without limitation, attorney's fees and expenses, in connection with negotiating, preparing, executing, and delivering any and all amendments, modifications and supplements of or to this Agreement and any other Project Documents and workout costs and expenses. All such amounts, along with any amounts owed by the Institution under any of the Project Documents, will be secured by all security interests and Liens securing the Master Trust Notes (Build NYC Resource Corporation), will bear interest at the Default Rate, and will be due and payable by the Institution to the Issuer, the Trustee and the Bondholder Representative, immediately upon demand. In the event of any court proceedings, attorneys' fees and costs will be set by the court and not by the jury, and will be included in any judgment obtained by the Issuer or the Trustee. The obligations of the Institution arising under this Section shall continue in full force and effect notwithstanding the final payment of the Bonds or the termination of this Agreement for any reason.

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 (11th) 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.

Section 9.10. ISSUER APPROVAL OF CERTAIN NON-FORECLOSURE REMEDIES. Notwithstanding any other remedy or other action available under the Indenture or otherwise under any other Project Document or at law, no remedy or other action (whether exercised by the Trustee, the Bondholder Representative, the Master Trustee or the Holders of the Bonds) shall have the effect of (x) continuing the exemption from the mortgage recording tax of the Master Mortgage or the Master Assignment of Leases and Rents upon any restructuring of the underlying indebtedness secured by the Master Mortgage (a “Mortgage Restructuring”), (y) modifying or terminating the Indenture or this 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 a new Entity to either be a counterparty to the Issuer under this 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 Master Mortgage or the Master Assignment of Leases and Rents. 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 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 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 X 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

(A) the expenses of redemption, the fees and expenses of the Trustee, the Bond Registrar and the Paying Agents and all other amounts due and payable under this Agreement and the other Security Documents, and

(B) 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

(A) the fees and expenses of the Issuer, and

(B) all other amounts due and payable under this Agreement and the other Security Documents,

(iii) pay to the Bondholder Representative the fees and expenses of the Bondholder Representative,

(iv) pay and perform all accrued obligations hereunder or under any other Security Document,

(v) 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

(vi) 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 X of the Indenture to defease and pay the Outstanding Bonds, together with a direction to (y) the Trustee that the Trustee deliver to the Issuer and the Institution a release, satisfaction or termination of the Indenture and (z) the Master Trustee that the Master Trustee deliver to the Issuer and the Institution a release, satisfaction or termination of the Master Mortgage and the Master Assignment of Lease and Rents.

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 is 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 Master Trust Note (Build NYC Resource Corporation), 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 Tax-Exempt Bonds receives from the Internal Revenue Service a notice of assessment and demand for payment with respect to interest on any Tax-Exempt 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, 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 Tax-Exempt 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 of Tax-Exempt Bonds shall have the right to require the Institution to pay the tax assessed and conduct the appeal as a contest for reimbursement.

(b) Not later than sixty (60) days following written notice from the Bondholder Representative directing redemption after the occurrence of a Determination of Taxability, the Institution shall pay to the Trustee an amount sufficient, when added to the amounts in the Bond Funds and available for such purpose, to retire and redeem all Bonds then Outstanding, in accordance with Section 2.03(g) of the Indenture. The Bonds shall be redeemed in whole unless redemption of a portion of the Tax-Exempt Bonds Outstanding would have the result that interest payable on the Tax-Exempt Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Tax-Exempt Bond. In such event, the Tax-Exempt Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

(c) 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.

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 and the Bondholder Representative), (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, the Bondholder Representative 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.

(c) In the event that the Institution shall no longer own all or substantially all of the Facility by reason of the sale or other disposition of the Facility, within sixty (60) days following such sale or other disposition, 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 a component of the Project Work, 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 Project Work. 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 Work, and if proceeds of the Tax-Exempt 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 Tax-Exempt Bond proceeds expended on such component of the Project, the Institution shall cause the Trustee to effect a redemption of Tax-Exempt Bonds in a principal amount equal to such excess only to the extent to which proceeds of the Tax-Exempt Bonds were expended for such component.

(b) If, after completion of a component of the Project Work, 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 into the Redemption Account of the Bond Fund (Tax-Exempt) and cause the Trustee to effect a redemption of the Tax-Exempt Bonds in a principal amount equal to such gift or grant, but only to the extent to which proceeds of Tax-Exempt Bonds were expended for such component.

(c) The Institution shall, prior to directing the redemption of any Tax-Exempt Bonds in accordance with this Section 11.4, consult with Nationally Recognized Bond Counsel for advice as to a manner of selection of Tax-Exempt Bonds for redemption that will not affect the exclusion of interest on any Tax-Exempt 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 the 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. If the Institution or any related person thereto shall purchase any Bonds for its own account during the term of this Agreement, whether by direct negotiation through a broker or dealer, or by making a tender offer to the Holders thereof, or otherwise, such Bonds shall be promptly surrendered to the Trustee for cancellation.

Section 11.7. Investment of Funds. Any moneys held as part of the Rebate Fund, the Earnings Fund, the Project Fund, the Bond Fund (Tax-Exempt), the Bond Fund (Taxable), the Debt Service Reserve Fund (Series 2020A) or the Debt Service Reserve Fund (Series 2020B/C) 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.

Section 11.8. Purchase of the Series 2020 Bonds on the Series 2020 Bond Purchase Date. If the Institution fails to request in writing by September 1, 2023 that the Bondholder Representative (or, if no Bondholder is then in effect, the Majority Holders) waive the mandatory purchase of the Series 2020 Bonds on the Series 2020 Bond Purchase Date, or makes such timely request but the Bondholder Representative (or the Majority Holders, as applicable) does not deliver a written waiver of such mandatory purchase to the Issuer, the Institution and the Trustee by December 31, 2023, then the Institution shall pay the Purchase Price for the Series 2020 Bonds on the Series 2020 Bond Purchase Date, and the Series 2020 Bonds shall be surrendered by the Institution to the Trustee for cancellation. If, however, such timely waiver for purchase shall be received by the Issuer, the Institution and the Trustee, the Series 2020 Bonds shall continue to be Outstanding until paid at Maturity or earlier redemption.

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 under the Master Trust Notes (Build NYC Resource Corporation), 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, the Bondholder Representative 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, the Bondholder Representative 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, the Bondholder Representative or the Trustee, and the Issuer, the Bondholder Representative 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 the Master Mortgage and Pledge under Indenture. Pursuant to (i) the Master Mortgage, the Institution will mortgage its fee interest in the Mortgaged Property to the Issuer and the Master Trustee as security for the Master Trust Notes (Build NYC Resource Corporation) and the obligations of the Institution under the Security Documents, (ii) the Master Assignment of Master Mortgage, the Issuer will assign all of its right, title and interest in the Master Mortgage to the Master Trustee, (iii) the Master Assignment of Leases and Rents, the Institution will assign its interest in all Facility leases and

rents to the Issuer and the Master Trustee as security for the Master Trust Notes (Build NYC Resource Corporation) and the obligations of the Institution under the Security Documents, (iv) the Master Assignment of ALR, the Issuer will assign all of its right, title and interest in the Master Assignment of Leases and Rents to the Master Trustee, and (v) the Indenture, the Issuer will pledge and assign 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, Purchase Price and interest on the Bonds. The Institution hereby consents to the Issuer's pledge and assignment to (y) the Master Trustee of all of its right, title and interest in the Master Mortgage and the Master Assignment of Leases and Rents, and (z) the Trustee of all of its right, title and interest in 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 and the Bondholder Representative given in accordance with the provisions of the Indenture, except in connection with any amendment relating to Section 5.1, 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 the Chief Financial Officer of the Institution at 180 Remsen Street, Brooklyn, New York 11201, 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 Master Trustee, 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
One Liberty Plaza
New York, New York 10006
Attention: General Counsel

with a copy to

Build NYC Resource Corporation
One Liberty Plaza
New York, New York 10006
Attention: Executive Director

- (2) if to the Institution, to

St. Francis College
180 Remsen Street
Brooklyn, New York 11201
Attention: Chief Financial Officer

with a copy to

Squire Patton Boggs
555 South Flower Street, 31st Floor
Los Angeles, California 90771
Attention: Harriet M. Welch, Esq.

- (3) if to the Master Trustee, to

UMB Bank, National Association
100 William Street, Suite 1850
New York, New York 10038
Attention: David Massa

- (4) if to the Bondholder Representative, to

Hamlin Capital Management, LLC
640 Fifth Avenue, 11th Floor
New York, New York 10019
Attention: Parker Stitzer

with a copy to

McCarter & English LLP
100 Mulberry Street
Newark, New Jersey 07102
Attention: Jacqueline Shanes, Esq.

- (5) if to the Trustee, to

U.S. Bank National Association
100 Wall Street, 6th Floor
New York, New York 10005
Attention: Corporate Trust Department

- (6) 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

- (7) 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 Master Trustee, 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.

A duplicate copy of each demand, notice, approval, request, consent, opinion or other communication given hereunder by any of the Issuer, the Institution or the Trustee to the other shall also be given to the Bondholder Representative.

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, the Bondholder Representative 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, the Bondholder Representative 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 Bondholder Representative, the Master 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 Bondholder Representative, the Master 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 Bondholder Representative, the Master 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 Master Trust Notes (Build NYC Resource Corporation).

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 proferentem doctrine, that would require interpretation of any ambiguities in this Agreement against the party that has drafted it.

[Remainder of Page Intentionally Left Blank]

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
Executive Director

ST. FRANCIS COLLEGE

By: _____
Maureen M. Lawrence
Chief Financial Officer

STATE OF NEW YORK)
 : ss.:
COUNTY OF _____)

On the _____ day of _____, in the year two thousand twenty, 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 JERSEY)
 : ss.:
COUNTY OF _____)

On this ____ day of _____, in the year two thousand twenty, before me, the undersigned, personally appeared Maureen M. Lawrence, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument, and such individual made such appearance before the undersigned in _____, New Jersey.

Notary Public

APPENDICES

EXHIBIT A

DESCRIPTION OF THE LAND

Parcel 1

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of Remsen Street distant 75 feet easterly from the corner formed by the intersection of the southerly side of Remsen Street with the easterly side of Clinton Street;

RUNNING THENCE southerly and parallel with the easterly side of Clinton Street, 105 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 25 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 1 foot 10 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 90 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 5 foot 5 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 8 feet;

THENCE southerly and parallel with the easterly side of Clinton Street, 2 feet 3 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 29 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 15 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 37 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 15 feet 2 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 108 feet 4 3/8 inches;

THENCE northerly and parallel with the easterly side of Clinton Street, 100 feet to the southerly side of Remsen Street;

THENCE westerly along the southerly side of Remsen Street, 300 feet to the point or place of BEGINNING.

Parcel 2

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of Joralemon Street distant 101 feet 2 inches easterly from the corner formed by the intersection of the northerly side of Joralemon Street with the easterly side of Clinton Street;

RUNNING THENCE northerly and parallel with the easterly side of Clinton Street, 113 feet 7 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 90 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 5 foot 5 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 8 feet;

THENCE southerly and parallel with the easterly side of Clinton Street, 2 feet 3 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 21 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 97 feet 4 $\frac{3}{4}$ inches to the northerly side of Joralemon Street;

THENCE westerly along the northerly side of Joralemon Street, 135 feet 9 inches to the point or place of BEGINNING.

Parcel 3

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of Joralemon Street distant 236 feet 11 inches easterly from the corner formed by the intersection of the northerly side of Joralemon Street with the easterly side of Clinton Street;

RUNNING THENCE northerly and at right angles to the northerly side of Joralemon Street, 97 feet 4 $\frac{3}{4}$ inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 7 feet 8 inches;

THENCE northerly and parallel with the easterly side of Clinton Street, 15 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 37 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 15 feet 2 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 19 feet 3 3/8 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 87 feet 4 1/4 inches to the northerly side of Joralemon Street;

THENCE westerly along the northerly side of Joralemon Street, 65 feet 10 inches to the point or place of BEGINNING.

DESCRIPTION OF THE FACILITY PERSONALTY

The New Money Bond Financed Property as described in Exhibit B-2

Chiller

Boilers

Elevators

Pool filtration and lighting system on athletic complex

IT Software and Hardware

Hard/Soft Improvement/Replacement

SFC Banners

IT Infrastructure and Equipment

Security Surveillance System

Cooling Towers

Audio Visual Systems Upgrade

Pool and Main Gym HVAC System

IT Server Room Infrastructure

Escalator Rebuild

DESCRIPTION OF THE NEW MONEY BOND FINANCED PROPERTY**St. Francis College | Series 2020 ABC | Tax-Exempt Projects**

Projects as of April 3, 2020

Assumed
Dated Date 06/01/2020**IT Projects**

Area / Title	Project Title	Total Project Costs	Debt Finance Eligible ⁽¹⁾	Implementation Date	Latest FY	Within 3 Years	Capitalize Through	Total
Security	Data Loss Prevention Platform	\$100,000.00	\$100,000.00	FY20	06/30/2020	0.08	06/30/2020	\$100,000.00
Support Services	Support Services Desktop Image Application (SCCM Replacement)	\$36,307.00	\$36,307.00	FY21	06/30/2021	1.08	06/30/2021	
Support Services	Support Services Suite Replacement(System Image, Patch, App Deployment, & Ticketing System)	\$65,367.00	\$65,367.00	FY21	06/30/2021	1.08	06/30/2021	
All IT	Integrations and services to support online learning (PHASE 1)	\$150,000.00	\$150,000.00	FY20(Q4) - FY21	06/30/2021	1.08	06/30/2021	
Colleague	Synoptix (Business Intelligence Reporting Software)	\$128,770.00	\$53,770.00	FY21	06/30/2021	1.08	06/30/2021	
Colleague	Digitize HR, Finance, Bursar for Docuware	\$200,000.00	\$200,000.00	FY21	06/30/2021	1.08	06/30/2021	
Marketing	Website Redesign and Hosting Implementation	\$271,500.00	\$271,500.00	FY20(Q4) - FY21	06/30/2021	1.08	06/30/2021	
All IT	Technology Costs Assis with Office Restructuring Neighborhoods	\$100,000.00	\$100,000.00	FY21	06/30/2021	1.08	06/30/2021	
IT / Library	Migrate Library Voyager Server to Alma (Cloud)	\$277,890.00	\$93,890.00	FY21	06/30/2021	1.08	06/30/2021	\$970,834.00
Datacenter	HP Server replacement (6 servers purchased over 2 years)	\$100,000.00	\$88,811.11	FY21 & FY22	06/30/2022	2.08	06/30/2022	
Telecomm	Hybrid VoIP telephone system / Unified Communications UcaaS	\$557,500.00	\$116,627.20	FY21 or FY22	06/30/2022	2.08	06/30/2022	
Support Services	Academic Computer Refresh Cycle - Lab PC Replacement Apple	\$176,548.00	\$163,746.25	FY21 - FY22	06/30/2022	2.08	06/30/2022	
Support Services	User Laptop Replacement	\$150,000.00	\$0.00	FY21 - FY22	06/30/2022	2.08	06/30/2022	
All IT	Failover Site Configuration and Implementation (Cold, Warm, Hot, DraaS)	\$254,000.00	\$148,400.00	FY21(Q3) / FY22	06/30/2022	2.08	06/30/2022	
Colleague	Ellucian Spend Management Suite (Invoice, Travel and Expense, Purchase)	\$287,250.00	\$137,250.00	FY21-FY22	06/30/2022	2.08	06/30/2022	
Colleague	Robust Housing/Dorm system – StarRez, ResLife	\$150,000.00	\$150,000.00	FY22	06/30/2022	2.08	06/30/2022	

Colleague	OneCard System	\$256,500.00	\$156,500.00	FY22	06/30/2022	2.08	06/30/2022	
Colleague	Workflow Form digitization	\$233,800.00	\$83,800.00	FY21/22	06/30/2022	2.08	06/30/2022	
IT / Marketing	Portal Migration	\$60,000.00	\$60,000.00	FY21(Q4) - FY22	06/30/2022	2.08	06/30/2022	\$1,105,134.56
Support Services	Academic Computer Refresh Cycle - Lab PC Replacement Dell	\$200,000.00	\$200,000.00	FY21 - FY23	06/30/2023	3.08	06/01/2023	
Support Services	User PC Replacement (Required Lease Payments)	\$550,000.00	\$550,000.00	FY21 - FY23	06/30/2023	3.08	06/01/2023	
Colleague	EAB PHASE 2	\$100,000.00	\$100,000.00	FY22-23	06/30/2023	3.08	06/01/2023	\$850,000.00
		\$4,405,432.00	\$3,025,968.56					

Infrastructure Projects

Area / Title	Project Title	Total Project Costs	Debt Finance Eligible ⁽¹⁾	Implementation Date	Latest FY	Within 3 Years	Capitalize Through	Total
Student Services	Remodel Space including Furniture and Fixtures	\$250,000.00	\$85,000.00	07/01/2020	06/30/2020	0.08	06/30/2020	
Athletics Offices	Office Conversions and Associated Equipment	\$50,000.00	\$20,000.00	06/01/2020	06/30/2020	0.08	06/30/2020	
Golf Simulator	Indoor Golf Simulator	\$80,000.00	\$50,000.00	06/01/2020	06/30/2020	0.08	06/30/2020	\$155,000.00
Student Space Upgrade	Refresh Student Lounge Space and Associated Fixtures	\$300,000.00	\$100,000.00	07/01/2021	06/30/2021	1.08	06/30/2021	
Classroom Furniture	Furniture and Fixtures	\$150,000.00	\$150,000.00	08/01/2021	06/30/2021	1.08	06/30/2021	
Library Reconfiguration	Upgrade Library including Furniture and Fixtures	\$200,000.00	\$75,000.00	08/01/2021	06/30/2021	1.08	06/30/2021	\$325,000.00
Office Consolidation	Consolidate Admin offices including Furniture and Fixtures	\$400,000.00	\$150,000.00	06/01/2022	06/30/2022	2.08	06/30/2022	
New Hire Office Package	New Office Spaces for New Hires including Furniture and Fixtures	\$250,000.00	\$100,000.00	06/01/2022	06/30/2022	2.08	06/30/2022	\$250,000.00
		\$1,680,000.00	\$730,000.00					

EXHIBIT C

AUTHORIZED REPRESENTATIVE

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Miguel Martinez-Saenz	President	_____
Maureen M. Lawrence	Chief Financial Officer	_____

PRINCIPALS OF INSTITUTION

Name and Title

Miguel Martinez-Saenz, President

Maureen Lawrence, Chief Financial Officer

Madalyn Hanley, Chief Information Officer

Monique Moore Pryor, Chief of Staff

Reza Fakhari, Vice President

Thomas Flood, Vice-President

Dr. Jennifer Lancaster, Vice-President

Kevin O'Rourke, Vice-President

Linda Werbel Dashefsky, Vice-President

EXHIBIT E

PROJECT COST BUDGET

St. Francis College | Series
2020 AB | Build NYC Issuance
Exhibit E - Project Budget Cost

	Series A			Series B			Series AB	Notes
	Bond Proceeds	Funds of Institution	Total	Bond Proceeds	Funds of Institution	Total	Total	
2020 Infrastructure Projects	\$155,000.00	\$225,000.00	\$380,000.00	\$0.00	\$0.00	\$0.00	\$380,000.00	Source: SFC Projects List
2021 Infrastructure Projects	325,000.00	325,000.00	650,000.00	0.00	0.00	0.00	650,000.00	
2022 Infrastructure Projects	250,000.00	400,000.00	650,000.00	0.00	0.00	0.00	650,000.00	
Renovation / Building Improvements	730,000.00	950,000.00	1,680,000.00	0.00	0.00	0.00	1,680,000.00	
2020 IT Projects	100,000.00	0.00	100,000.00	0.00	0.00	0.00	100,000.00	Source: SFC Projects List
2021 IT Projects	970,834.00	259,000.00	1,229,834.00	0.00	0.00	0.00	1,229,834.00	
2022 IT Projects	1,105,134.56	1,120,463.44	2,225,598.00	0.00	0.00	0.00	2,225,598.00	
2023 IT Projects	850,000.00	0.00	850,000.00	0.00	0.00	0.00	850,000.00	
Equipment	\$3,025,968.56	\$1,379,463.44	\$4,405,432.00	\$0.00	\$0.00	\$0.00	\$4,405,432.00	
Cost of Issuance	232,702.38	0.00	232,702.38	321,490.87	0.00	321,490.87	554,193.25	Source: Bond Sizing Costs of Issuance
Underwriter's Discount	109,314.05	0.00	109,314.05	152,784.14	0.00	152,784.14	262,098.19	
Loan Amount - 50% of Issuers Fee	45,935.36	0.00	45,935.36	64,202.14	0.00	64,202.14	110,137.50	
Loan Amount - Title Insurance Premium	38,588.00	0.00	38,588.00	53,933.00	0.00	53,933.00	92,521.00	
Fees / Other Soft Costs	\$426,539.79	\$0.00	\$426,539.79	\$592,410.15	\$0.00	\$592,410.15	\$1,018,949.94	
Total	\$4,182,508.35	\$2,329,463.44	\$6,511,971.79	\$592,410.15	\$0.00	\$592,410.15	\$7,104,381.94	

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 8.20] [Section 8.9] of that certain Loan Agreement, dated as of June 1, 2020, between the Issuer and St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York (the “Loan Agreement”), THAT:

[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:

**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 St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York (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 June 1, 2020 (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) 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;

(iii) the Facility is ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines;

(iv) 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

(v) 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 materialmen's liens encumbering the Facility Realty, whether by bond or otherwise; and (c) this 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 _____, ____.

ST. FRANCIS COLLEGE

By: _____

Name:

Title:

[RESERVED]

EXHIBIT I

[RESERVED]

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 in the Borough of Brooklyn, Block 255 and Lots 12, 14 and 36, generally known by the street address 180 Remsen Street, Brooklyn, New York 11201.

“Institution” means St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York, having its principal office at 180 Remsen Street, Brooklyn, New York 11201, 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 One Liberty Plaza, New York, New York 10006.

“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 completion of the Project Work; 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 June 1, 2020, 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, One Liberty Plaza, New York, NY 10006, Attention: General Counsel, with a copy to Build NYC Resource Corporation, One Liberty Plaza, New York, NY 10006, 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 the 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 in the Borough of Brooklyn, Block 255 and Lots 12, 14 and 36, generally known by the street address 180 Remsen Street, Brooklyn, New York 11201.

“Institution” means St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York, having its principal office at 180 Remsen Street, Brooklyn, New York 11201, 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 One Liberty Plaza, New York, New York 10006.

“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 completion of the Project Work; 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 1.03ⁿ, 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 June 1, 2020, 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, One Liberty Plaza, New York, NY 10006, Attention: General Counsel, with a copy to Build NYC Resource Corporation, One Liberty Plaza, New York, NY 10006, 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:

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APPENDIX D
FORM OF INDENTURE

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 One Liberty Plaza,
New York, New York 10006,
as “**Issuer**”,

TO

U.S. BANK NATIONAL ASSOCIATION,
a national banking association organized and existing under the laws of the United States of
America, having a corporate trust office at 100 Wall Street, 6th Floor, New York,
New York 10005, together with any successor trustee at the time serving as such under this
Indenture of Trust,
as “**Trustee**”

INDENTURE OF TRUST

Dated as of June 1, 2020

\$42,055,000
Build NYC Resource Corporation
Revenue Bonds
(St. Francis College Project), Series 2020

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 One Liberty Plaza, New York, New York 10006, party of the first part, to **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, together with any successor trustee at the time serving as such under this Indenture of Trust, having a corporate trust office at 100 Wall Street, 6th Floor, New York, New York 10005, party of the second part (capitalized terms used 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 a taxable bond transaction, the proceeds of which, together with other funds of the Institution, will be used by the Institution for the Project; 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 Approving Resolution authorizing the Project and the Bond Resolution authorizing 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 the Issuer will make the Loan of the proceeds of the Series 2020A Bonds and of the Series 2020B Taxable Bonds, in the original aggregate principal amount of the Series 2020A Bonds and of the Series 2020B Taxable Bonds, to the Institution pursuant to the Loan Agreement, and, when issued, will make the Loan of the proceeds of the Series 2020C Bonds, in the original aggregate principal amount of the Series 2020C Bonds, to the Institution pursuant to the Loan Agreement; 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 Series 2020A Bonds, of the Series 2020B Taxable Bonds and of the Series 2020C Bonds, the Issuer has authorized the issuance of the Series 2020A Bonds, of the Series 2020B Taxable Bonds and of the Series 2020C Bonds pursuant to the Bond Resolution and this Indenture; and

WHEREAS, on or prior to the issuance of the Series 2020A Bonds and the Series 2020B Taxable Bonds, the Institution will enter into the Master Trust Indenture with the Master Trustee pursuant to which the Institution will be authorized to issue its Master Trust Notes pursuant to Master Supplemental Indentures to evidence indebtedness of the Institution which will be secured under the Master Trust Indenture; and

WHEREAS, to evidence the indebtedness of the Institution under the Loan Agreement with respect to the Loan, the Institution will execute the Master Trust Notes (Build NYC Resource Corporation) with each to be secured under the Master Trust Indenture; and

WHEREAS, the Master Trust Notes (Build NYC Resource Corporation) are to be secured by: (i) a collateral assignment of leases and rents from the Institution to the Master Trustee pursuant to the Master Assignment of Leases and Rents; (ii) mortgage liens on and security interests in the Facility granted by the Institution to the Issuer and the Master Trustee pursuant to the Master Mortgage, which Master Mortgage will be assigned by the Issuer to the Master Trustee pursuant to the Master Assignment of Mortgage; (iii) a pledge of and security interest in the gross revenues of the Institution to the Master Trustee pursuant to the Master Trust Indenture; and (iv) a deposit account control agreement for all bank accounts of the Institution pursuant to the Master Deposit Account Control Agreement from the Depository Bank and the Institution in favor of the Master 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 Series 2020A Bonds, the Series 2020B Taxable Bonds, and the Series 2020C Bonds, and the respective Trustee's Certificate to be endorsed thereon, are all to be in substantially the respective forms set forth in Exhibit C-1, C-2 and C-3, 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, Purchase Price or Redemption Price of, Sinking Fund Installments for, 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 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 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 Earnings Fund, the Project Fund, the Bond Fund (Tax-Exempt), the Bond Fund (Taxable), the Debt Service Reserve Fund

(Series 2020A), the Debt Service Reserve Fund (Series 2020B/C) or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from the Earnings Fund, the Project Fund, the Debt Service Reserve Fund (Series 2020A), the Debt Service Reserve Fund (Series 2020B/C) or any such special fund in accordance with the provisions of the Loan Agreement and this Indenture; provided, however, (i) there is hereby expressly excluded from any assignment, pledge, lien or security interest any amounts set apart and transferred to the Rebate Fund; (ii) for so long as the Series 2020B Taxable Bonds are Outstanding, (y) amounts held in the Debt Service Reserve Fund (Series 2020A) or in the Bond Fund (Tax-Exempt) shall be pledged and available only to the Holders of the Series 2020A Bonds, and (z) amounts held in the Debt Service Reserve Fund (Series 2020B/C) or in the Bond Fund (Taxable) shall be pledged and available only to the Holders of the Series 2020B Taxable Bonds; and (iii) when the Series 2020B Taxable Bonds are no longer Outstanding, and the Series 2020C Bonds are Outstanding, (y) amounts held in the Bond Fund (Tax-Exempt) shall be pledged and made available to the Holders of the Series 2020A Bonds and the Holders of the Series 2020C Bonds, and (z) amounts held in the Debt Service Reserve Fund (Series 2020B/C) shall be pledged and available only to the Holders of the Series 2020C Bonds.

III

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, 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 each 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:

Additional Bonds shall mean one or more Series of additional bonds issued, executed, authenticated and delivered under this Indenture.

Affiliate shall have the meaning assigned to such term in the Master Trust Indenture.

Approved Facility shall mean the Facility as occupied, used and operated by the Institution 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 180 Remsen Street, Brooklyn, New York, for use by the Institution as an independent co-educational undergraduate college.

Approving Resolution shall mean the resolution of the Issuer adopted on May 12, 2020 authorizing the Project, and undertaking to permit the issuance of the Series 2020 Bonds to finance the Project.

Authorized Denomination shall mean, (y) in the case of the Series 2020 Bonds, (i) for any Hamlin Investor Bond, \$100,000 and any integral multiple of \$1,000 in excess thereof; (ii) for any Series 2020 Bond not in category (i), \$250,000 and any integral multiple of \$1,000 in excess thereof; or (iii) \$25,000 and any integral multiple thereof when the Series 2020 Bonds have received an investment grade rating from a Rating Agency, and (z) in the case of any Series of Additional Bonds, such denominations as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Series of Additional Bonds.

Authorized Principal Amount shall mean, (i) in the case of the Series 2020A Bonds, \$17,540,000, (ii) in the case of the Series 2020B Taxable Bonds, \$24,515,000, (iii) in the case of the Series 2020C Bonds, the Outstanding principal amount of the Series 2020B Taxable Bonds on the Series 2020C Bond Issuance Date, and (iv) in the case of any Series of Additional Bonds, such authorized principal amount as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Series of 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, the Master Trustee 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 a Series 2020 Bond, the Person in whose name such Series 2020 Bond is recorded as the Beneficial Owner of such Series 2020 Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Series 2020 Bonds are not held in the Book-Entry System, Beneficial Owner shall mean “Holder” for purposes of the Security Documents.

Bond Debt Service Year shall mean an annual period commencing on the Closing Date and ending on December 31, 2020, and each such annual period thereafter commencing on January 1 and ending on December 31 of such year for so long as any Bonds remain Outstanding.

Bond Fund shall mean, collectively or individually, as applicable, the Bond Fund (Taxable) and/or the Bond Fund (Tax-Exempt).

Bond Fund (Taxable) shall mean the special trust fund so designated, established pursuant to Section 5.01.

Bond Fund (Tax-Exempt) 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, initially, Hamlin Capital Management, LLC, a registered investment advisor under the Investment Advisors Act of 1940, as amended, so long as a majority in aggregate principal amount of all Holders or Beneficial Owners of the Bonds Outstanding are Persons for whom Hamlin Capital Management, LLC serves as investment advisor or manager of a limited partnership, and any successors or assigns thereto designated as Bondholder Representative by a written appointment, delivered to the Issuer, the Trustee and the Master Trustee, by at least a majority in aggregate principal amount of all Holders or Beneficial Owners of the Bonds Outstanding in accordance with Section 9.12 hereof. If at any time the Bondholder Representative does not represent a majority of the aggregate principal amount of all Holders or Beneficial Owners of the Bonds Outstanding, the term “Bondholder Representative” shall be disregarded for all purposes of this Indenture and the other Security Documents, and the rights granted the Bondholder Representative under this Indenture and the other Security Documents shall be of no further force or effect and shall be deemed to refer to “Majority Holders” (except with respect to Hamlin’s rights with respect to its representation of the Holders or Beneficial Owners of Hamlin Investor Bonds, if any).

Bond Purchase Agreement (Series 2020A/B) shall mean the Bond Purchase Agreement, dated June 18, 2020, among the Issuer, the Institution and the Underwriter, relating to the sale of the Series 2020A Bonds and the Series 2020 Series B Taxable Bonds and the coordination of the conversion and exchange of the Series 2020C Bonds for the Series 2020B Taxable Bonds.

Bond Registrar shall mean the Trustee acting as registrar as provided in Section 3.10.

Bonds shall mean the Series 2020 Bonds and any Additional Bonds.

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.

City shall mean The City of New York, New York.

Closing Date shall mean June 22, 2020, the date of the initial issuance and delivery of the Series 2020A Bonds and of the Series 2020B Taxable 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.

Continuing Disclosure Agreement shall mean, with respect to the Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds, the Continuing Disclosure Agreement, dated as of the Closing Date, as amended, between the Institution and the Trustee, as dissemination agent, and, as to any Series of Additional Bonds, the continuing disclosure agreement executed by the Institution, and, in each case, shall include any and all amendments thereof and supplements thereto hereafter made in accordance therewith.

Contractual Disposition Arrangement shall mean a contract, agreement or other arrangement for the sale, lease or other disposition of all or any part of the Facility for private business use as contemplated or provided in Section 1.141-3(g)(7) of the Income Tax Regulations.

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.

Control Agreement shall mean any and all agreements, whether there be one or more, among the Institution, as “Debtor,” the Depositary Bank and the Master Trustee, as “Secured Party,” pursuant to which the Institution agrees to grant the Master Trustee a security interest in one or more of the Institution’s depository accounts in order to secure the Institution’s repayment obligations under the Master Trust Documents; the initial Control Agreement being the Master Deposit Account Control Agreement.

Costs of Issuance shall mean issuance costs with respect to the Series 2020 Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: Underwriter’s spread (whether realized directly or derived through the purchase of the Series 2020A Bonds, the Series 2020B Taxable Bonds or the Series 2020C Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, counsel to the Underwriter, the Bondholder Representative, the Trustee, the Master Trustee, the Issuer and the Institution, 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 Series 2020 Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Regulatory Agreement); Rating Agency fees; Master Trustee, Trustee and Paying Agent fees; accountant fees and other expenses related to the issuance of the Series 2020 Bonds; printing costs for the offering documents relating to the Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds; public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Series 2020 Bonds; Blue Sky fees and expenses; and similar costs.

DASNY 2010 Bonds shall mean the St. Francis College Revenue Bonds, Series 2010 issued by the Dormitory Authority of the State of New York on August 20, 2010 in the original principal amount of \$25,000,000.

DASNY 2010 Bonds Trustee shall mean The Bank of New York Mellon, in its capacity as Trustee for the DASNY 2010 Bonds.

DASNY 2014 Bonds shall mean the St. Francis College Revenue Bonds, Series 2014 issued by the Dormitory Authority of the State of New York on December 22, 2014 in the original principal amount of \$12,585,000.

DASNY 2014 Bonds Trustee shall mean The Bank of New York Mellon, in its capacity as Trustee for the DASNY 2014 Bonds.

Debt Service shall mean, as of any particular date of computation, with respect to the Bonds and with respect to any period, the aggregate of the amounts to be paid or set aside by the Issuer as of such date or in such period for the payment of the principal of, redemption premium, if any, and interest (to the extent not capitalized) on the Bonds; assuming, in the case of Bonds required to be redeemed or prepaid as to principal prior to their maturity, that the principal amounts thereof will be redeemed prior to their maturity in accordance with the mandatory redemption provisions applicable thereto.

Debt Service Reserve Fund shall mean, collectively or individually, as applicable, the Debt Service Reserve Fund (Series 2020A) and/or the Debt Service Reserve Fund (Series 2020B/C).

Debt Service Reserve Fund (Series 2020A) shall mean the special trust fund so designated, established pursuant to Section 5.01 of this Indenture.

Debt Service Reserve Fund (Series 2020B/C) shall mean the special trust fund so designated, established pursuant to Section 5.01 of this Indenture.

Debt Service Reserve Fund Requirement shall mean, as applicable, the Debt Service Reserve Fund Requirement (Series 2020A), the Debt Service Reserve Fund Requirement (Series 2020B) or the Debt Service Reserve Fund Requirement (Series 2020C).

Debt Service Reserve Fund Requirement (Series 2020A) shall mean, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments or any combination thereof) equal to the lesser of:

- (i) ten percent (10%) of the Net Proceeds (as defined in the Tax Regulatory Agreement) of the Outstanding Series 2020A Bonds;

- (ii) 100% of the greatest amount required in the then current or any future Bond Debt Service Year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2020A Bonds (excluding the principal payable on the final maturity);

- (iii) 125% of the average annual amount required in the then current or any future Bond Debt Service Year to pay the sum of scheduled principal and interest on Outstanding Series 2020A Bonds (excluding the principal payable on the final maturity); or

- (iv) 100% of the greatest amount of interest required in the then current or any future Bond Debt Service Year on the Series 2020A Bonds.

Debt Service Reserve Fund Requirement (Series 2020B) shall mean, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments or any combination thereof) equal to the lesser of:

(i) ten percent (10%) of the Net Proceeds (as defined in the Tax Regulatory Agreement) of the Outstanding Series 2020B Taxable Bonds;

(ii) 100% of the greatest amount required in the then current or any Bond Debt Service Year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2020B Taxable Bonds (excluding the principal payable on the final maturity); or

(iii) 125% of the average annual amount required in the then current or any future Bond Debt Service Year to pay the sum of scheduled principal and interest on Outstanding Series 2020B Taxable Bonds (excluding the principal payable on the final maturity); or

(iv) \$1,361,751.96.

Debt Service Reserve Fund Requirement (Series 2020C) shall mean, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments or any combination thereof) equal to the lesser of:

(i) ten percent (10%) of the Net Proceeds (as defined in the Tax Regulatory Agreement) of the Outstanding Series 2020C Bonds;

(ii) 100% of the greatest amount required in the then current or any Bond Debt Service Year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2020C Bonds (excluding the principal payable on the final maturity); or

(iii) 125% of the average annual amount required in the then current or any future Bond Debt Service Year to pay the sum of scheduled principal and interest on Outstanding Series 2020C Bonds (excluding the principal payable on the final maturity); or

(iv) \$1,361,751.96.

Debt Service Reserve Fund Valuation Date shall mean June 15 and December 15 of each year, commencing December 15, 2020.

Default Rate shall mean, for any of the Series 2020 Bonds, a rate of interest per annum equal to three percent (3.00%) per annum above the then-current interest rate for such Series 2020 Bonds; provided, however, any such Default Rate shall not exceed the highest rate permitted by applicable law.

Defaulted Interest shall have the meaning specified in Section 2.02(f).

Defeasance Obligations shall mean Government Obligations that are not subject to redemption prior to maturity.

Depository Bank shall mean T.D. Bank, N.A., in its capacity as the financial institution under the Master Deposit Account Control Agreement receiving all revenues of the Institution, together with its successors and assigns in such capacity, and any successor Depository Bank pursuant to the Master Deposit Account Control Agreement.

Determination of Taxability shall mean a determination that the interest income on any of the Tax-Exempt Bonds does not qualify under Section 103 of the Code as interest excluded from gross income of the recipient thereof for the purposes of federal income taxation ("Exempt Interest"), which determination shall be deemed to have been made upon the first to occur of any of the following:

(i) the date on which the Issuer, the Trustee and the Bondholder Representative are notified in writing that an opinion of Nationally Recognized Bond Counsel is unable to be delivered (including, without limitation, following the occurrence of a Contractual Disposition Arrangement) to the effect that the interest on the Tax-Exempt Bonds qualifies as such Exempt Interest or, if such opinion of Nationally Recognized Bond Counsel shall so indicate, that future date following which Nationally Recognized Bond Counsel shall not thereafter be able to deliver its opinion that the interest on the Tax-Exempt Bonds qualifies as Exempt Interest; or

(ii) the date on which the Trustee and the Bondholder Representative are notified in writing by the Institution or the Issuer that a change in law or regulation has become effective or that the Internal Revenue Service has issued any public or private ruling, technical advice memorandum or any other written communication or that there has occurred a ruling or decision of a court of competent jurisdiction with or to the effect that the interest income on any of the Tax-Exempt Bonds does not qualify as such Exempt Interest; or

(iii) the date on which the Institution shall receive notice from the Trustee in writing that the Trustee has been notified by the Internal Revenue Service, or has been advised by the Issuer, the Institution, the Bondholder Representative or any owner or former owner of a Tax-Exempt Bond, that the Internal Revenue Service has issued a notice of deficiency or similar notice which asserts that the interest on any of the Tax-Exempt Bonds does not qualify as such Exempt Interest; or

(iv) the six-month anniversary of the Final Material Contingency Satisfaction Date as provided in Section 8.10(a)(ii) of the Loan Agreement.

The Bondholder Representative, a Bondholder (or former Bondholder) or Beneficial Owner (or former Beneficial Owner) of Tax-Exempt Bonds shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (i) above, at the expense of the Institution, upon delivery by the Bondholder (or former Bondholder) or Beneficial Owner (or former Beneficial Owner) of Tax-Exempt Bonds, to the Institution, of a letter from their accountant stating that, in his or her reasonable opinion, interest on the Tax-Exempt Bonds is includable in the gross income of such Bondholder (or former

Bondholder) or Beneficial Owner (or former Beneficial Owner) 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 Tax-Exempt Bond in the computation of minimum or indirect taxes.

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.

Electronic Means shall mean the following communications methods: S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

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.

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 Tax-Exempt Bond becomes includable for federal income tax purposes in the gross income of any Holder or former 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 (not constituting fixtures nor comprising any part of the Improvements) the acquisition and/or the installation of which is to be financed or refinanced 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-1 - "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 Ratings, 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.

Hamlin shall mean Hamlin Capital Management, LLC and its successors and assigns.

Hamlin Investor Bond shall mean any Series 2020 Bond beneficially owned by a client of Hamlin who is a Qualified Institutional Buyer (as defined in Rule 144A of the Securities Act of 1933, as amended) or an accredited investor (as defined in Rule 501 of Regulation D of the Securities Act of 1933, as amended).

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; 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 June 1, 2020, between the Issuer and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI.

Independent, when used with respect to any specified Person, shall mean such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Institution, and (iii) is not connected with the Institution as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is herein provided that any Independent Person's opinion or certificate shall be furnished to the Issuer, the Trustee and/or the Bondholder Representative, such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

Independent Engineer shall mean an Independent 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 is approved in writing by the Trustee and the Bondholder Representative.

Institution shall mean St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York, 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.

Interest Account shall mean the special trust account of the Bond Fund (Tax-Exempt) or the Bond Fund (Taxable), as applicable, so designated, established pursuant to Section 5.01.

Interest Payment Date shall mean, with respect to the Series 2020 Bonds, June 30 and December 31 of each year, commencing June 30, 2020 with respect to the Series 2020A Bonds and the Series 2020B Taxable Bonds, commencing on the June 30 or December 31 next following the Series 2020C Bond Issuance Date with respect to the Series 2020C Bonds, 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 October 29, 1973 issued by the Internal Revenue Service to the Institution confirming that the Institution is a Tax-Exempt Organization.

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 on 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 on 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 on 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, any Bondholder, the Bondholder Representative or the Master Trustee;

(vi) the right of the Issuer on 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 Sections 8.26 and 8.31), 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 on 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 that certain lot, piece or parcel of land in the Borough of Brooklyn, Block 255 and Lots 12, 14 and 36, generally known by the street address 180 Remsen Street, Brooklyn, New York, 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) of the Loan Agreement.

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, the Underwriter and the Bondholder Representative.

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 the tenth (10th) day of each month (or, if the tenth (10th) day shall not be a Business Day, the immediately preceding Business Day), except that the first Loan Payment Date shall be June 26, 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.

Master Assignment of ALR shall mean, collectively, the Master Assignment of ALR (Acquisition Loan) and the Master Assignment of ALR (Indirect Loan).

Master Assignment of ALR (Acquisition Loan) shall mean the Master Assignment of Assignment of Leases and Rents (Acquisition Loan), dated the Closing Date, from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of ALR (Indirect Loan) shall mean the Master Assignment of Assignment of Leases and Rents (Indirect Loan), dated the Closing Date, from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of Leases and Rents shall mean, collectively, the Master Assignment of Leases and Rents (Acquisition Loan) and the Master Assignment of Leases and Rents (Indirect Loan).

Master Assignment of Leases and Rents (Acquisition Loan) shall mean the Master Assignment of Leases and Rents (Acquisition Loan), dated as of June 1, 2020, from the Institution to the Issuer and the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of Leases and Rents (Indirect Loan) shall mean the Master Assignment of Leases and Rents (Indirect Loan), dated as of June 1, 2020, from the Institution to the Issuer and the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Assignment of Mortgage shall mean collectively, the Master Assignment of Mortgage and Security Agreement (Acquisition Loan) and the Master Assignment of Mortgage and Security Agreement (Indirect Loan), each dated the Closing Date, and each from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Deposit Account Control Agreement shall mean the Deposit Account Control Agreement among the Institution as “Debtor”, the Depositary Bank and the Master Trustee, dated as of June 22, 2020, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Trust Indenture.

Master Mortgage shall mean, collectively, the Master Mortgage (Acquisition Loan) and the Master Mortgage (Indirect Loan).

Master Mortgage (Acquisition Loan) shall mean the Master Mortgage and Security Agreement (Acquisition Loan), dated as of June 1, 2020, from the Institution to the Issuer and the Master Trustee, as Mortgagee, and includes any and all amendments thereof and supplements thereto made in accordance therewith and with the Master Trust Indenture.

Master Mortgage (Indirect Loan) shall mean the Master Mortgage and Security Agreement (Indirect Loan), dated as of June 1, 2020, from the Institution to the Issuer and the Master Trustee, as Mortgagee, and includes any and all amendments thereof and supplements thereto made in accordance therewith and with the Master Trust Indenture.

Master Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Master Trust Indenture, executed and delivered by the Institution and the Master Trustee in accordance with Article IX thereof.

Master Trust Documents shall mean, collectively, the Master Trust Indenture, the Master Trust Notes, the Master Mortgage, the Master Assignment of Mortgage, the Master Assignment of Leases and Rents, the Master Assignment of ALR and the Master Deposit Account Control Agreement.

Master Trust Indenture shall mean the Master Trust Indenture, dated as of June 1, 2020, between the Institution and the Master Trustee, as from time to time amended or supplemented by Master Supplemental Indentures in accordance with Article IX thereof.

Master Trust Notes shall mean notes or other evidences of indebtedness issued by the Institution under the Master Trust Indenture and authenticated by the Master Trustee as thereby entitled to the security of the Master Trust Documents.

Master Trust Notes (Build NYC Resource Corporation) shall mean those Master Trust Notes executed or to be executed by the Institution evidencing the indebtedness of the Institution under the Loan Agreement with respect to the Series 2020 Bonds and any Series of Additional Bonds.

Master Trustee shall mean UMB Bank, National Association, New York, New York, in its capacity as Master Trustee under the Master Trust Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Master Trust Indenture.

Maturity Date shall mean, in the case of the Series 2020 Bonds, December 31, 2025.

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.

Mortgaged Property shall have the meaning specified in the Master Mortgage.

Nationally Recognized Bond Counsel shall mean Hawkins Delafield & Wood 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, the Bondholder Representative, the Trustee or the Master Trustee) incurred in the collection thereof.

New Money Bond Financed Property shall mean those items of personal property to be financed or refinanced from the proceeds of the Series 2020A Bonds (and as shall not have been financed or refinanced from the proceeds of the DASNY 2014 Bonds or the DASNY 2010 Bonds) and described in Exhibit B-2 – "Description of the New Money Bond Financed Property", and as shall constitute part of the Facility Personalty.

Non-Hamlin Investor shall mean any Holder or Beneficial Owner of a Non-Hamlin Investor Bond.

Non-Hamlin Investor Bond shall mean any Bond (or any portion thereof) which does not qualify as a Hamlin Investor Bond.

Notice Parties shall mean the Issuer, the Institution, the Bond Registrar, the Paying Agents, the Trustee, the Bondholder Representative and the Master Trustee.

Obligation shall have the meaning assigned to that term in the Master Trust Indenture.

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, the Bondholder Representative and the Trustee) with respect to such matters as required under any Project Document or as the Issuer, the Bondholder Representative or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Issuer, the Bondholder Representative and the Trustee.

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 X, there has been separately set aside and held in the Redemption Account of the Bond Fund (Tax-Exempt) or the Redemption Account of the Bond Fund (Taxable), as the case may be, 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 Master Mortgage (as assigned by the Master Assignment of Mortgage), the Master Assignment of Leases and Rents (as assigned by the Master Assignment of ALR) 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, the Bondholder Representative 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 Master 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 and the Master 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;

(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, security interest, encumbrances or charge which exists in favor of the Trustee or the Master Trustee or to which the Bondholder Representative, and either the Trustee or the Master Trustee, shall consent in writing; and

(xiv) any "Permitted Encumbrance" as so defined in the Master Trust Indenture.

A Contractual Disposition Arrangement shall not constitute a Permitted Encumbrance.

Person shall mean an individual or any Entity.

Principal Account shall mean the special trust account of the Bond Fund (Tax-Exempt) or the Bond Fund (Taxable), as applicable, so designated, established pursuant to Section 5.01.

Pro Rata Basis shall mean, when used in the context of a deposit of moneys to be made:

(y) in any Account of a Bond Fund under this Indenture with respect to Tax-Exempt Bonds and Taxable Bonds, that portion of such deposit determined:

(i) with respect to Tax-Exempt Bonds, by multiplying such deposit by a fraction the numerator of which is the Outstanding principal amount of all Tax-Exempt Bonds, and the denominator of which is the Outstanding principal amount of all Bonds, and

(ii) with respect to Taxable Bonds, by multiplying such deposit by a fraction the numerator of which is the Outstanding principal amount of all Taxable Bonds, and the denominator of which is the Outstanding principal amount of all Bonds,

and then rounding the respective products down to the nearest whole dollar; and

(z) in the Debt Service Reserve Fund (Series 2020A) and in the Debt Service Reserve Fund (Series 2020B/C), that portion of such deposit determined:

(i) with respect to the Debt Service Reserve Fund (Series 2020A), by multiplying such deposit by a fraction the numerator of which is the Outstanding principal amount of the Series 2020A Bonds, and the denominator of which is the Outstanding principal amount of all Series 2020 Bonds, and

(ii) with respect to the Debt Service Reserve Fund (Series 2020B/C), by multiplying such deposit by a fraction the numerator of which is the Outstanding principal amount of the Series 2020B Taxable Bonds (or if no longer Outstanding, the Series 2020C Bonds), and the denominator of which is the Outstanding principal amount of all Series 2020 Bonds,

and then rounding the respective products down to the nearest whole dollar.

Project shall mean (i) the refunding and defeasance of the DASNY 2010 Bonds; (ii) the refunding and defeasance of the DASNY 2014 Bonds; (iii) the financing and refinancing of the New Money Bond Financed Property at the Facility, including classroom furniture, energy efficient upgrades and information technology and related items of personal property; (iv) the funding of the Debt Service Reserve Funds; and (v) the payment of costs of issuance with respect to the Series 2020 Bonds, all in furtherance of the Institution's operation at the Facility of a private, nonprofit, independent co-educational undergraduate college.

Project Costs shall mean:

(i) all costs of engineering and architectural services with respect to the Project Work, including the cost of estimates, permits, plans and specifications, as well as for the performance of all other duties required by or consequent upon the proper completion of the Project Work;

(ii) all costs paid or incurred for labor, materials, services, supplies, machinery, equipment and other expenses and to contractors, suppliers and materialmen in connection with the completion of the Project Work;

(iii) the interest on the allocable principal portion of the Series 2020A Bonds financing the New Money Bond Financed Property until the completion of the Project Work;

(iv) all costs of contract bonds and of insurance that may be required or necessary during the period of Project Work;

(v) the defeasance and refunding of the DASNY 2010 Bonds;

(vi) the defeasance and refunding of the DASNY 2014 Bonds;

(vii) all costs of title insurance as provided in Section 3.7 of the Loan Agreement;

(viii) the payment of the Costs of Issuance with respect to the Series 2020 Bonds;

(ix) the payment of the fees and expenses of the Trustee during the Project Work;

(x) all costs which the Institution shall be required to pay, under the terms of any contract or contracts, for the completion of the Project Work, 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 Work; and

(xi) all other costs and expenses relating to the completion of the Project or the issuance of a Series of Additional Bonds.

“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 Continuing Disclosure Agreement, the Master Trust 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 the acquisition, whether by title or lease, of the New Money Bond Financed Property and any work required to install same.

Purchase Price shall mean, in the case of Section 2.04, an amount equal to the Outstanding principal amount of the Series 2020 Bonds, 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) Commercial paper, rated at least P-1 by Moody's or at least A-1 by S&P, issued by a corporation or banking institution organized under the laws of the United States of America or any state thereof;
- (iii) Direct and general long term obligations of any state of the United States of America to which the full faith and credit of the state is pledged and that are rated in either of the two highest rating categories by Moody's and S&P;
- (iv) Direct and general short term obligations of any state of the United States to which the full faith and credit of the state is pledged and that are rated in the highest rating category by Moody's and S&P;
- (v) Interest-bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company that is a member of the Federal Deposit Insurance Corporation ("FDIC") and that are (a) continuously and fully insured by the FDIC, or (b) with a bank that has outstanding debt, or which is a subsidiary of a holding company which has outstanding debt, rated in either of the two highest rating categories by Moody's and S&P, or (c) continuously and fully secured by obligations of the type described in (i) and (ii) above that have a market value at all times at least equal to the principal amount of the deposit and are held by the Trustee or its agent or, in the case of uncertificated securities, are registered in the name of the Trustee as pledgee;
- (vi) Repurchase agreements, the maturity of which are less than thirty (30) days, entered into (a) with a bank or trust company rated at least P-1 by Moody's and A-1 by S&P and organized under the laws of the United States, (b) with a national banking association, insurance company, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation, in each case rated at least P-1 by Moody's and A-1 by S&P, or (c) with a dealer which is rated at least P-1 by Moody's and A-1 by S&P. The repurchase agreement must be continuously and fully secured by obligations of the type described in (i), (ii), (iii), (iv) or (v) above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the Trustee or its agent or, in the case of uncertificated securities, are registered in the name of the Trustee as pledgee;
- (vii) Money market mutual funds with assets in excess of \$2,000,000,000 investing in obligations of the type specified in (i), (ii), (iii), (iv), (v) or (vi) above, including funds for which the Trustee or an Affiliate of the Trustee serves as investment advisor, administrator, shareholder, servicing agent and/or custodian or sub-custodian, notwithstanding that (a) the Trustee charges and collects fees and expenses from such funds for services rendered, (b) the Trustee charges and collects fees and expenses for

services rendered pursuant to this Indenture and (c) services performed for such funds and pursuant to this Indenture may converge at any time; and

(viii) An investment agreement or other investment arrangement with any bank, trust company, national banking association or bank holding company in the United States, with any domestic branch of a foreign bank, or with any surety or insurance company, provided, that, (i) such investment agreement or other investment arrangement shall permit the full principal amount of the moneys so placed together with the investment income agreed to be paid to be available for use as and when required under this Indenture, and (ii) the Person with whom such investment agreement or other investment arrangement is made must be a Person whose unsecured or uncollateralized short term debt obligations are assigned a rating by S&P of SP 1+ or better or a Person assigned a financial strength rating of AAA by S&P, and whose domestic assets shall be in excess of \$10,000,000,000.

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 Series 2020 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 Series 2020 Bonds, the close of business on the fifteenth (15th) day of the month in which such Interest Payment Date occurs, 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 (Tax-Exempt) or the Bond Fund (Taxable), as applicable, 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 2.08(c).

Reimbursement Resolution shall mean the resolution adopted by the Institution on December 11, 2019 with respect to the Project and the debt financing thereof.

Related Security Documents shall mean all Security Documents other than this Indenture.

Representations Letter shall mean the Blanket Issuer Letter of Representations from the Issuer to DTC.

Reserve Fund Credit Facility shall mean a letter of credit, line of credit, surety bond, insurance policy or other credit facility for the purpose of satisfying a Debt Service Reserve Fund Requirement, which in each case (y) provides for a draw down in the full amount thereof upon its expiration date in the absence of an acceptable renewal or replacement, and (z) is consented to in writing by the Bondholder Representative.

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.

S&P shall mean S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, a Delaware limited liability company, its successors and assigns, and if such entity 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.

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, this Indenture, the Tax Regulatory Agreement and the Master Trust Notes (Build NYC Resource Corporation).

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 2020 Bond Purchase Date shall mean December 31, 2024.

Series 2020 Bonds shall mean, collectively, the Series 2020A Bonds and the Series 2020B Taxable Bonds, and, when and if issued, the Series 2020C Bonds.

Series 2020A Bonds shall mean the Issuer's \$17,540,000 Revenue Bonds (St. Francis College Project), Series 2020A authorized, issued, executed, authenticated and delivered on the Closing Date under this Indenture.

Series 2020B Taxable Bond Owners shall mean the Beneficial Owners of the Series 2020B Taxable Bonds as of the Series 2020C Bond Issuance Date.

Series 2020B Taxable Bonds shall mean the Issuer's \$24,515,000 Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) authorized, issued, executed, authenticated and delivered on the Closing Date under this Indenture.

Series 2020C Bond Conversion Date shall mean July 16, 2020, being that Business Day (or such later Business Day to which the Bondholder Representative shall consent in writing) designated by the Issuer, at the written direction of the Institution, for the issuance and delivery of the Series 2020C Bonds to the Series 2020C Bond Initial Beneficial Owners, and the concurrent redemption of the Series 2020B Taxable Bonds.

Series 2020C Bond Conversion Option shall mean the right of the Issuer, at the direction of the Institution, to convert and exchange the Series 2020B Taxable Bonds for the Series 2020C Bonds as provided in Section 2.02(c).

Series 2020C Bond Initial Beneficial Owners shall mean the initial Beneficial Owners of the Series 2020C Bonds.

Series 2020C Bond Issuance Date shall mean the date of the initial issuance and delivery of the Series 2020C Bonds.

Series 2020C Bond Rate Index shall mean any of (i) the Municipal Market Data (MMD), (ii) the Bloomberg Valuation Service (BVAL), or (iii) the Securities Industry and Financial Markets Association Municipal Swap Index (SIFMA Municipal Swap Index).

Series 2020C Bonds shall mean the Issuer's Revenue Bonds (St. Francis College Project), Series 2020C, in the principal amount of the Outstanding principal amount of the Series 2020B Taxable Bonds as of the Series 2020C Bond Issuance Date, to be issued, executed, authenticated and delivered under this Indenture.

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 (Tax-Exempt) or the Bond Fund (Taxable), as applicable, 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 XI.

Tax Regulatory Agreement shall mean the Tax Regulatory Agreement, dated the Closing Date, from the Issuer and 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.

Taxable Bonds shall mean the Series 2020B Taxable Bonds and any Series of Additional Bonds which are not Tax-Exempt Bonds.

Taxable Rate shall mean, with respect to any Series of Tax-Exempt Bonds, the current rate of such Series of Tax-Exempt Bonds, multiplied by a percentage equal to the sum of (i) one (1) plus (ii) the highest marginal tax rate as of the Event of Taxability. By way of illustration, if a Series of Tax-Exempt Bonds had 5% as the current rate of interest, and the highest marginal tax rate as of the Event of Taxability was 37% or 0.37, then the applicable Taxable Rate would be 5% multiplied by the sum of (i) one (1) plus (ii) 0.37 (i.e., 1.37) or 6.85%.

Tax-Exempt Bonds shall mean the Series 2020A Bonds, the Series 2020C Bonds and any Series of Additional Bonds as to which, (y) at the time of original issuance, there shall be delivered to the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the interest on such Bonds is excluded from gross income for federal income tax purposes, and (z) a Determination of Taxability shall not have been made.

Trustee shall mean U.S. Bank National Association, 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, in the case of the Series 2020 Bonds, RBC Capital Markets, LLC.

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 2.08 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 Earnings Fund, to the Project Fund, to the Bond Fund (Tax-Exempt), to the Bond Fund (Taxable), to the Debt Service Reserve Fund (Series 2020A), to the Debt Service Reserve Fund (Series 2020B/C) or any special fund, and all investment earnings of any of the foregoing (subject to disbursements from the Earnings Fund, the Project Fund, the Debt Service Reserve Fund (Series 2020A), the Debt Service Reserve Fund (Series 2020B/C) or any such special fund in accordance with the provisions of the Loan Agreement and this Indenture), are pledged by this Indenture for the payment of the principal, Purchase Price or Redemption Price (if any) of, Sinking Fund Installments (if any) for, and interest on, the Bonds provided, however, (i) there is hereby expressly excluded from any assignment, pledge, lien or security interest any amounts set apart and transferred to the Rebate Fund; (ii) for so long as the Series 2020B Taxable Bonds are Outstanding, (y) amounts held in the Debt Service Reserve Fund (Series 2020A) or in the Bond Fund (Tax-Exempt) shall be pledged and available only to the Holders of the Series 2020A Bonds, and (z) amounts held in the Debt Service Reserve Fund (Series 2020B/C) or in the Bond Fund (Taxable) shall be pledged and available only to the Holders of the Series 2020B Taxable Bonds; and (iii) when the Series 2020B Taxable Bonds are no longer Outstanding, and the Series 2020C Bonds are Outstanding, (y) amounts held in the Bond Fund (Tax-Exempt) shall be pledged and made available to the Holders of the Series 2020A Bonds and the Holders of the Series 2020C Bonds, and (z) amounts held in the Debt Service Reserve Fund (Series 2020B/C) shall be pledged and available only to the Holders of the Series 2020C 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 (including 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 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 (y) a pledge and assignment of substantially all of the Issuer's right, title and interest in and to the Loan Agreement (excluding the Issuer's Reserved Rights), and (z) the Master Trust Documents pursuant to the Master Trust Notes (Build NYC Resource Corporation).

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 Series 2020 Bonds. (a) The Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds in the respective Authorized Principal Amount shall be issued under and secured by this Indenture. The Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds shall be issuable in fully registered form without coupons substantially in the respective forms set forth in Exhibits C-1, C-2 and C-3, and shall be dated as provided in Section 3.01.

(b) The Series 2020 Bonds shall mature on the Maturity Date, and the Series 2020A Bonds and the Series 2020B Taxable Bonds shall bear interest at the annual rates, as set forth below:

<u>Series</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
Series 2020A	December 31, 2025	\$17,540,000	5.00%
Series 2020B Taxable	December 31, 2025	\$24,515,000	5.25%

The Series 2020C Bonds shall be in the principal amount equal to the principal amount of the Series 2020B Taxable Bonds Outstanding as of the Series 2020C Bond Issuance Date, and shall bear interest at that annual rate of interest set forth in a certificate of determination of an Authorized Representative of the Issuer dated the Series 2020C Bond Issuance Date, and approved in writing by an Authorized Representative of the Institution and the Bondholder Representative. 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 Series 2020 Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

(c) Subject to the conditions precedent set forth below, the Issuer, at the direction of the Institution, shall have the right to exercise the Series 2020C Bond Conversion Option by (i) no later than June 24, 2020, notifying the Trustee, the Underwriter and the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners) in writing of the Series 2020C Bond Conversion Date, which Series 2020C Bond Conversion Date shall be (y) the Redemption Date for the redemption pursuant to Section 2.03(f)(ii) of the Series 2020B Taxable Bonds Outstanding as of the Series 2020C Bond Conversion Date (assuming that the redemption under Section 2.03(f)(i) shall have been effected so as to reduce the Outstanding principal amount of the Series 2020B Taxable Bonds by \$300,000 as of the Business Day immediately preceding such Redemption Date), and (z) the Series 2020C Bond Issuance Date, and directing the Trustee (with a copy to the Issuer, the Underwriter and the Bondholder Representative) to deliver the notice of redemption for the redemption of the Series 2020B Taxable Bonds Outstanding on the Series 2020C Bond Conversion Date (assuming that the

redemption under Section 2.03(f)(i) shall be effected on the Business Day immediately preceding the Series 2020C Bond Conversion Date) as provided in Section 2.03(f)(ii) at least twenty (20) days before the Series 2020C Bond Conversion Date, (ii) directing the Trustee (with a copy to the Issuer, the Underwriter and the Bondholder Representative) to deliver the notice of redemption for the redemption of \$300,000 principal amount of the Series 2020B Taxable Bonds on the Business Day immediately preceding the Series 2020C Bond Conversion Date as provided in Section 2.03(f)(i) at least twenty (20) days before such Business Day immediately preceding the Series 2020C Bond Conversion Date, (iii) designating the requested applicable Series 2020C Bond Rate Index and so notifying the Trustee, the Underwriter and the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners) in writing of such Index no less than four (4) Business Days prior to the Series 2020C Bond Conversion Date, (iv) the Institution paying on behalf of the Issuer to the Trustee an amount equal to the accrued interest on the Series 2020B Taxable Bonds Outstanding (after giving effect to the redemption of \$300,000 in principal amount of the Series 2020B Taxable Bonds pursuant to Section 2.03(f)(i)) due on the redemption of the Series 2020B Taxable Bonds pursuant to Section 2.03(f)(ii) through but not including the Redemption Date, such amount to be paid by the Trustee on the Redemption Date under Section 2.03(f)(ii) for the Series 2020B Taxable Bonds Outstanding on the Series 2020C Bond Conversion Date to the Series 2020B Taxable Bond Owners, (v) the Institution causing the redemption of \$300,000 in principal amount of the Series 2020B Taxable Bonds as provided in clause (ii) above, and (vi) causing the Series 2020C Bonds to be authenticated by the Trustee in accordance with Section 2.05(b) and executed, issued and delivered to the Series 2020C Bond Initial Beneficial Owners not later than 10:00 a.m., New York City time, on the Series 2020C Bond Conversion Date in exchange for the surrender by the Series 2020B Taxable Bond Owners of the Series 2020B Taxable Bonds Outstanding on the Series 2020C Bond Conversion Date to the Trustee (in accordance with the respective Exchange Notices in substantially the forms as set forth in Exhibits F-1 and F-2 attached hereto) for cancellation upon their redemption pursuant to Section 2.03(f)(ii) and the payment to the Series 2020B Taxable Bond Owners of the accrued interest as provided in clause (iv) above.

(d) At least six (6) days prior to the Series 2020C Bond Conversion Date, the Trustee shall send to the Securities Depository the First Exchange Notice in substantially the form set forth in Exhibit F-1 attached hereto, with the only information not included therein being the interest rate applicable to the Series 2020C Bonds. On the Series 2020C Bond Conversion Date, (i) in consideration for the issuance of the Series 2020C Bonds, the Series 2020B Taxable Bonds Outstanding on the Series 2020C Bond Conversion Date will be redeemed in whole pursuant to Section 2.03(f)(ii), and the Series 2020B Taxable Bond Owners shall simultaneously deliver the Series 2020B Taxable Bonds Outstanding to the Trustee for cancellation against payment by the Trustee to the Series 2020B Taxable Owners of the accrued interest referred to in Section 2.02(c)(iv) and delivery of the Series 2020C Bonds to the Series 2020C Bond Initial Beneficial Owners, (iii) the Trustee shall authenticate and deliver the Series 2020C Bonds to the Series 2020C Bond Initial Beneficial Owners, and (iv) the Bondholder Representative shall execute and deliver its certificate to the Issuer and the Trustee in substantially the form as set forth in Exhibit E attached hereto. The issuance of the Series 2020C Bonds to the Series 2020C Bond Initial Beneficial Owners, and the payment of the accrued interest on the Series 2020B Taxable Bonds to the Series 2020B Taxable Owners as provided in Section 2.02(c)(iv), shall be deemed full payment of the Redemption Price of the Series 2020B Taxable Bonds under Section 2.03(f)(ii), and the concurrent surrender by the Series 2020B

Taxable Bond Owners of the Series 2020B Taxable Bonds Outstanding on the Series 2020C Bond Conversion Date to the Trustee for cancellation in exchange for the issuance of the Series 2020C Bonds shall be deemed full consideration for the issuance of the Series 2020C Bonds. The Institution may terminate the Series 2020C Bond Conversion Option by so notifying in writing the Issuer, the Underwriter, the Trustee, the Master Trustee and the Bondholder Representative (on behalf of the Series 2020B Taxable Bond Owners).

As set forth in Section 2.02(c), the Issuer (acting at the direction of the Institution) will provide the requisite notice to the Trustee, the Underwriter and the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners), which notice shall indicate which Series 2020C Bond Rate Index is requested to be applicable to the interest rate to be borne by the Series 2020C Bonds. The Series 2020C Bonds shall bear interest at the five (5) year applicable Series 2020C Bond Rate Index plus 300 basis points but not less than five percent (5%). No later than three (3) Business Days before the Series 2020C Bond Conversion Date, the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners) shall notify the Issuer, the Trustee, the Institution and the Underwriter of its selection of the applicable Series 2020C Bond Rate Index (which may or may not be the Index so requested) to be utilized in determining the interest rate on the Series 2020C Bonds. If the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners) fails to so designate a Series 2020C Bond Rate Index by the Business Day prior to the Series 2020C Bond Conversion Date, then the Index so requested by the Issuer (as directed by the Institution) will apply in the interest rate calculation, and the interest rate so determined will be the applicable interest rate on the Series 2020C Bonds. Upon the determination of the interest rate applicable to the Series 2020C Bonds, the Trustee shall send the Final Notice of Exchange to the Securities Depository in substantially the form attached hereto as Exhibit F-2.

It shall be a condition to the exercise of the Series 2020C Bond Conversion Option that there shall not be any change in any law, rule or regulation (or the interpretation or administration thereof), known to the Bondholder Representative (on behalf of the Series 2020C Bond Initial Beneficial Owners), the Issuer, Bond Counsel to the Issuer or the Institution, that prevents the consummation of the performance of the Series 2020C Bond Conversion Option or the sale or issuance of the Series 2020C Bonds.

(e) If there shall occur, and for so long as there shall continue to exist, an Event of Default, the annual rate of interest on the Series 2020 Bonds shall be the Default Rate commencing with the date of the occurrence of the Event of Default and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Event of Default. Any former Bondholder or Beneficial Owner who was a Bondholder or Beneficial Owner commencing on or after the date of the occurrence of the Event of Default, but who subsequent to such date sold or otherwise disposed of its Series 2020 Bonds or whose Series 2020 Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Series 2020 Bonds subsequent to the Event of Default and the date upon the related Series 2020 Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the related Series 2020 Bonds prior to the Event of Default and the rate borne by such related Series 2020 Bonds on and subsequent to such date.

(f) If there shall occur a Determination of Taxability, the rate of interest on the Tax-Exempt Bonds shall be the Taxable Rate commencing with the date of the Event of Taxability and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Determination of Taxability. Any former Bondholder or Beneficial Owner who was a Bondholder or Beneficial Owner commencing on or after the date of the occurrence of an Event of Taxability, but who subsequent to such date sold or otherwise disposed of its Tax-Exempt Bonds or whose Tax-Exempt Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Tax-Exempt Bonds subsequent to the Event of Taxability and the date upon which the related Tax-Exempt Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by such related Tax-Exempt Bonds prior to the Event of Taxability and the rate borne by such related Tax-Exempt Bonds on and subsequent to such date.

(g) The Series 2020A Bonds shall be numbered from AR-1 upward in consecutive numerical order, and Series 2020A Bonds issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine. The Series 2020B Taxable Bonds shall be numbered from BR-1 upward in consecutive numerical order, and Series 2020B Taxable Bonds issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine. The Series 2020C Bonds shall be numbered from CR-1 upward in consecutive numerical order, and Series 2020C Bonds issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine.

(h) The principal, Purchase Price or Redemption Price of all Series 2020 Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier purchase or redemption to the Persons in whose names such Series 2020 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 Series 2020 Bond either at final maturity or upon purchase or upon redemption in whole shall only be payable upon presentation and surrender of such Series 2020 Bonds at the designated corporate trust office of the Trustee or of any Paying Agent.

The interest payable on each Series 2020 Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Series 2020 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 Series 2020 Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Series 2020 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. CUSIP number identification with appropriate dollar amounts for each CUSIP number must

accompany all payments of principal of, redemption premium, if any, and interest, whether by check, draft or by wire transfer.

Interest on any Series 2020 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 2020 Bond on the relevant Record Date and shall be payable to the owner in whose name such Series 2020 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 Series 2020 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 Series 2020 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 and the Bondholder Representative 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 a Series 2020 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 Series 2020 Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other related Series 2020 Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other related Series 2020 Bond and each such related Series 2020 Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(i) The Series 2020 Bonds are issuable in the form of fully registered bonds in the respective Authorized Denominations.

(j) Anything in the Series 2020 Bonds or in this Indenture to the contrary notwithstanding, the obligations of the Issuer hereunder and under the Series 2020 Bonds shall be subject to the limitation that payments of interest or other amounts on the Series 2020 Bonds shall not be required to the extent that receipt of any such payment by a Holder of a Series 2020 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 a Series 2020 Bond.

Section 2.03. Redemption of Series 2020 Bonds. (a) General Optional Redemption. (i) The Series 2020A Bonds shall be subject to redemption, on or after

December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) 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)(i) thereof), at the Redemption Prices (expressed as percentages of unpaid principal amount of the Series 2020A Bonds to be redeemed) set forth below, plus accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

(ii) The Series 2020B Taxable Bonds shall be subject to redemption, on or after December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) 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)(ii) thereof), at the Redemption Prices (expressed as percentages of unpaid principal amount of the Series 2020B Taxable Bonds to be redeemed) set forth below, plus accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

(iii) The Series 2020C Bonds shall be subject to redemption, on or after December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) 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)(iii) thereof), at the Redemption Prices (expressed as percentages of unpaid principal amount of the Series 2020C Bonds to be redeemed) set forth below, plus accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

(b) Extraordinary Redemption. The Series 2020 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 Redemption Date, 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, the Bondholder Representative 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, the Bondholder Representative 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 2020 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, the Bondholder Representative 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 Redemption from Excess Proceeds and Certain Other Amounts. (i) The Series 2020A Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

(A) excess proceeds of the Series 2020A Bonds shall remain after the completion of the Project Work and the defeasance of the DASNY 2014 Bonds,

(B) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Master Trust Indenture, the Loan Agreement and this Indenture,

(C) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(D) 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 completion of the Project Work or related Project Costs,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2020A Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

(ii) The Series 2020B Taxable Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

(A) excess proceeds of the Series 2020B Taxable Bonds shall remain after the defeasance of the DASNY 2010 Bonds,

(B) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Master Trust Indenture, the Loan Agreement and this Indenture, or

(C) 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 Series 2020B Taxable Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

(iii) The Series 2020C Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

(A) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Master Trust Indenture, the Loan Agreement and this Indenture,

(B) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(C) 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 completion of the Project Work or related Project Costs,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2020C Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

(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 Series 2020 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 Bondholder Representative and the Bondholders as provided in this Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2020 Bonds, together with interest accrued thereon to the Redemption Date.

(e) Mandatory Redemption Upon the Sale of All or Substantially All of the Facility. The Series 2020 Bonds are further subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event that the Institution shall no longer own all or substantially all of the Facility by reason of the sale or other disposition of the Facility, within sixty (60) days following such sale or other disposition, at a Redemption Price equal to one hundred percent of the principal amount thereof, together with accrued interest to the Redemption Date.

(f) Mandatory Redemption of the Series 2020B Taxable Bonds Upon the Exercise of the Series 2020C Bond Conversion Option. (i) The Series 2020B Taxable Bonds are subject to mandatory redemption in part in the principal amount of \$300,000 on the Business Day immediately preceding the Series 2020C Bond Conversion Date, at a Redemption Price equal to one hundred percent of the above-stated principal amount of the Series 2020B Taxable Bonds, together with accrued interest to the date of redemption.

(ii) The Series 2020B Taxable Bonds are subject to mandatory redemption in whole upon the issuance of the Series 2020C Bonds on the Series 2020C Bond Conversion Date and the payment of the accrued interest on the Series 2020B Taxable Bonds on the Redemption Date for the Series 2020B Taxable Bonds as provided in Section 2.02(c) and (d). Upon the issuance of the Series 2020C Bonds on the Series 2020C Bond Conversion Date, and the payment of the accrued interest on the Series

2020B Taxable Bonds through but not including the Redemption Date, the payment of the Redemption Price of the Series 2020B Taxable Bonds shall be deemed made in full, the Series 2020B Taxable Bonds shall no longer be deemed Outstanding, and the Holders of the Series 2020B Taxable Bonds shall surrender the same to the Trustee for cancellation.

(g) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2020 Bonds shall be redeemed prior to maturity on any date within sixty (60) days after written notice directing such redemption is delivered by the Bondholder Representative to the Issuer, the Trustee and the Institution 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 at the Taxable Rate from the occurrence of the Event of Taxability to the Redemption Date. The Series 2020 Bonds shall be redeemed in whole unless redemption of a portion of the Tax-Exempt Bonds Outstanding would have the result that interest payable on the Tax-Exempt Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Tax-Exempt Bond. In such event, only the Tax-Exempt Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

(h) Purchase in Lieu of Redemption. In lieu of calling the Series 2020A Bonds, the Series 2020B Taxable Bonds or the Series 2020C Bonds for redemption, such Series 2020 Bonds shall be subject to 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, at a purchase price to then be negotiated between the Institution and the Bondholder Representative (or, if no Bondholder Representative shall then be in effect, with the Holder(s) of the Series 2020 Bonds to be purchased), plus accrued interest to the purchase date. Purchases of Series 2020 Bonds as provided above may be made without regard to any provision of this Indenture relating to the selection of Series 2020 Bonds in a partial redemption. The Series 2020 Bonds so purchased shall be surrendered by the Institution to the Trustee for cancellation.

(i) Redemption of Series 2020 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 redemption provisions of Section 2.03(c) at the earliest possible date following the deposit of the excess proceeds or other amounts in the Redemption Account of the Bond Fund (Tax-Exempt) or the Bond Fund (Taxable), as applicable, without the necessity of any instructions or further act of the Issuer or the Institution.

(3) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(d), (e), (f) or (g) 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.

Section 2.04. Purchase of the Series 2020 Bonds on the Series 2020 Bond Purchase Date. The Series 2020 Bonds shall be subject to mandatory purchase by the Institution on the Series 2020 Bond Purchase Date if, the Institution fails to request in writing by September 1, 2023 that the Bondholder Representative (or, if no Bondholder Representative shall then be in effect, the Majority Holders) waive the mandatory purchase of the Series 2020 Bond Purchase Date, or makes such timely request but the Bondholder Representative (or, if no Bondholder Representative shall be in effect, the Majority Holders) does not deliver a written waiver of such mandatory purchase to the Issuer, the Institution and the Trustee by December 31, 2023, then, the Series 2020 Bonds shall be purchased in whole on the Series 2020 Bond Purchase Date at the Purchase Price. Upon the payment by the Institution of the Purchase Price, the Series 2020 Bonds shall be surrendered by the Institution to the Trustee for cancellation. If, however, such timely waiver for purchase shall be received by the Issuer, the Institution and the Trustee, the Series 2020 Bonds shall continue to be Outstanding until paid at Maturity or earlier redemption.

Section 2.05. Delivery of Series 2020 Bonds. (a) The Series 2020A Bonds and the Series 2020B Taxable 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 Series 2020A Bonds and of the Series 2020B Taxable Bonds, including the interest, if any, accrued on the Series 2020A Bonds and on the Series 2020B Taxable Bonds to the Closing Date, the Series 2020A Bonds and the Series 2020B Taxable 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:

(i) a copy, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer, of the Bond Resolution as being true and correct and in full force and effect;

(ii) an original executed counterpart of all Security Documents, together with a copy of each executed other Project Document then in effect certified as true, correct and complete and in full force and effect by an Authorized Representative of the Institution;

(iii) a written opinion by Nationally Recognized Bond Counsel to the effect that the issuance of the Series 2020A Bonds and of the Series 2020B Taxable Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and

(iv) the written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the Series 2020A Bonds and Series 2020B Taxable 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.

(b) The Series 2020C 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 the fulfillment of the requirements set forth in Section 2.02(c) and (d), the Series 2020C Bonds shall be delivered by the Trustee on behalf of the Issuer to the Series 2020C Initial Beneficial Owners, but only upon receipt by the Trustee of:

(i) a copy, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer, of the Bond Resolution as being true and correct and in full force and effect;

(ii) a certificate by an Authorized Representative of the Institution to the effect that each Project Document continues in full force and effect without default by the Institution thereunder;

(iii) a written opinion by Nationally Recognized Bond Counsel to the effect that the issuance of the Series 2020C Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and

(iv) the written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the Series 2020C Bonds to the purchaser(s) therein identified.

Section 2.06. 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. None of the members, directors, officers or agents of the Issuer or 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 2.07. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication, in substantially the respective forms set forth in Exhibit C-1, C-2 and C-3 attached hereto, 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 2.08. Additional Bonds. (a) So long as the Loan Agreement, the other Security Documents and the Master Trust Documents are each in effect, and the prior written consent of the Bondholder Representative (or, if no Bondholder Representative is in effect, the Majority Holders) 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 which shall provide, among other things, that the loan payments payable by the Institution under the Loan Agreement shall be increased and computed so as to amortize in full the principal of and interest on such Series of 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, and the Institution and the Master Trustee shall enter into a Master Supplemental Indenture (pursuant to which the Institution shall execute a new Master Trust Note (Build NYC Resource Corporation) in favor of the Trustee), all of 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 and the Loan Agreement, 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 Series 2020 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 Tax-Exempt Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) an amount for deposit in a Debt Service Reserve Fund, if applicable, equal to the related requirement to be on deposit in such Debt Service Reserve Fund;

(5) 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 and Master Trust 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;

(6) written evidence from each Rating Agency by which any Series of Outstanding Bonds are then rated, if any, to the effect 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;

(7) an original, executed counterpart of the amendment to each Security Document, as well as the related Master Supplemental Indenture and related Master Trust Note (Build NYC Resource Corporation); 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 2.08 of less than all

Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds on a pro rata basis and 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 2.08(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 X, 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 X.

(3) 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 Series 2020 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 Loan Agreement and the other Security Documents and the Master Trust 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 2.09. 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.

So long as any Hamlin Investor Bonds are Outstanding, any Outstanding Series 2020 Bond that is a Non-Hamlin Investor Bond must be assigned a CUSIP (the “Non-Hamlin CUSIP”) that is separate from any CUSIP assigned to a Hamlin Investor Bond (the “Hamlin CUSIP”). The Bondholder Representative shall notify the Trustee, the Issuer and the Institution, in writing, prior to taking any action that would cause any Outstanding Hamlin Investor Bond to become a Non-Hamlin Investor Bond. If at any time any Hamlin Investor Bonds are Outstanding and the Trustee receives written notice from the Bondholder Representative that any Hamlin Investor Bond is proposed to become a Non-Hamlin Investor Bond, the Trustee shall, at the expense of the Institution, use its best efforts to (i) cause the Underwriter to apply for a new Non-Hamlin CUSIP to be assigned to such proposed Non-Hamlin Investor Bond, (ii) cause the Underwriter to allocate to such new Non-Hamlin CUSIP the principal amount of the Hamlin Investor Bond proposed to become a Non-Hamlin Investor Bond, and simultaneously (iii) cause the Underwriter to decrease the principal amount allocated to the applicable Hamlin CUSIP by an amount corresponding to the increase provided for in the preceding clause (ii), and such proposed Non-Hamlin Investor Bonds shall only be issued in the applicable Authorized Denominations. All Non-Hamlin Investor Bonds will need to be delivered through DTC using DTC’s then current procedures in order to obtain Series 2020 Bonds with the separate CUSIP number described in the preceding sentence.

Section 2.10. Book Entry Bonds. (a) Except as provided in Section 2.10(c), the Holder of all of the Series 2020 Bonds shall be DTC (the “**Securities Depository**”) and the Series 2020 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Series 2020 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 Series 2020 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 Series 2020 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, and interest on the Series 2020 Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in Section 2.10(c).

(b) The Series 2020 Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each Series and maturity thereof. Upon initial issuance, the ownership of such Series 2020 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 Series 2020 Bonds registered in its name for the purposes of payment of

the principal, Purchase Price or Redemption Price of or interest on the Series 2020 Bonds, selecting the Series 2020 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 Series 2020 Bonds, obtaining any consent or other action to be taken by Holders of the Series 2020 Bonds and for all other purposes whatsoever; and none of the Trustee, the Bond Registrar, the Paying Agent, the Institution or the Issuer shall be affected by any notice to the contrary. All notices with respect to such Series 2020 Bonds shall be made and given, respectively, to DTC as provided in the Representations Letter. None of the Trustee, the Bond Registrar, the Paying Agent or the Issuer shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Series 2020 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, Purchase Price or Redemption Price of or interest on the Series 2020 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 Series 2020 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, and interest on the Series 2020 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, and interest on the Series 2020 Bonds to the extent of the sum or sums so paid. Except as otherwise provided in Section 2.10(c), no Person other than DTC shall receive an authenticated Series 2020 Bond certificate, for each of the Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds, evidencing the obligation of the Issuer to make payments of principal, Purchase Price or Redemption Price of, and interest on the Series 2020 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 Series 2020 Bond certificates, the Issuer may notify DTC and the Trustee, whereupon DTC will notify the Participants, of the availability through DTC of Series 2020 Bond certificates. In such event, the Trustee shall issue, transfer and exchange Series 2020 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 Series 2020 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 Series 2020 Bond certificates as described in this Indenture. In the event Series 2020 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, 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 Series

2020 Bonds to any DTC Participant having Series 2020 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2020 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 OR THE TRUSTEE 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, REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2020 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 SERIES 2020 BONDS.

(f) SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2020 BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE SERIES 2020 BONDHOLDERS OR REGISTERED HOLDERS OF THE SERIES 2020 BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES 2020 BONDS.

(g) For so long as the Holder of all of the Series 2020 Bonds shall be DTC, and all Series 2020 Bonds shall be registered in the name of Cede & Co. as nominee for DTC, (i) only DTC may tender Series 2020 Bonds upon redemption or retirement in whole and (ii) unless all Series 2020 Bonds are being redeemed or retired in whole, Series 2020 Bonds shall not be required to be presented to the Trustee for payment of principal 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 a Series 2020 Bond or Bonds for cancellation shall cause the delivery of a Series 2020 Bond or Bonds to the

successor Securities Depository in appropriate Authorized Denominations and form as provided herein.

(i) Nothing contained in this Section shall limit, modify, reduce, impair or affect any of the express rights of the Bondholder Representative under any other provision of this Indenture, including the rights of notice, direction and consent.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. Date of Bonds. Each of the Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds shall be dated their respective 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 respective Series 2020 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 related 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 Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds shall be in substantially the respective forms set forth in Exhibits C-1, C-2 and C-3 attached hereto, 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 HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), IN RELIANCE UPON EXEMPTIONS PROVIDED BY THE SECURITIES ACT. NO RESALE OR OTHER TRANSFER OF THIS BOND MAY BE MADE UNLESS SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR “BLUE SKY” LAWS AND IN ACCORDANCE WITH THE INDENTURE OF TRUST REFERRED TO HEREIN. NEITHER THE ISSUER NOR THE TRUSTEE IS OBLIGATED TO REGISTER THIS BOND UNDER THE SECURITIES ACT OR ANY OTHER SECURITIES OR “BLUE SKY” LAW.

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.”

If there shall occur a Determination of Taxability with respect to any Tax-Exempt, and the Bonds shall not be redeemed in whole by reason thereof, then, each Holder of such Tax-Exempt Bond shall surrender such Bond to the Trustee, and the Trustee shall return such Bond to such Holder after adding the following legend to such Tax-Exempt Bond to read substantially as follows: “AS A RESULT OF THE OCCURRENCE OF A DETERMINATION OF TAXABILITY AS REFERRED TO IN THE WITHIN-MENTIONED INDENTURE, THIS BOND CONSTITUTES A TAXABLE BOND BEARING INTEREST FROM THE EVENT OF TAXABILITY AT THE TAXABLE RATE, ALL AS REFERRED TO IN SAID INDENTURE.”

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, Purchase Price 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, Purchase Price 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 of a Bond, by the purchase and acceptance of such Bond, is deemed to have represented and agreed as follows:

(A) it acknowledges, understands and agrees to the exercise of all rights and remedies by the Bondholder Representative if any is in effect; and

(B) it understands 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 Authorized Denominations.

(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 related 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 Bondholder Representative, 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, Purchase Price 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 none of the Issuer, the Institution, the Bond Registrar, the Bondholder Representative, the Trustee or 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 related 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, Purchase Price, Sinking Fund Installment and/or interest on the Bonds, or the Redemption Date of any Bonds, shall be a day other than a Business Day, then payment of such principal, Purchase Price, 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 Redemption Date, 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 2020A Bonds and Series 2020B Taxable Bonds. (a) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2020A Bonds, the Trustee shall apply such proceeds as follows:

(i) \$11,785,396.70 shall be transferred and paid over to the DASNY 2014 Bonds Trustee to effect the defeasance and discharge of the DASNY 2014 Bonds (with an additional amount of \$9,635.61 to be paid on the Closing Date from the Project Fund to the DASNY 2014 Bonds Trustee, such amount being equal to \$22,000 in DASNY fees less \$12,364.39 as amounts remaining with the DASNY 2014 Bonds Trustee);

(ii) \$974,306.72, being an amount equal to the Debt Service Reserve Fund Requirement (Series 2020A), shall be deposited in the Debt Service Reserve Fund (Series 2020A); and

(iii) the balance of the proceeds of the Series 2020A Bonds shall be deposited in the Project Fund (of which \$385,077.78 shall constitute capitalized interest for the Series 2020A Bonds, and with respect to which the Trustee shall maintain a separate account within the Project Fund for that purpose).

(b) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2020B Taxable Bonds, the Trustee shall apply such proceeds as follows:

(i) \$22,297,744.48 shall be transferred and paid over to the DASNY 2010 Bonds Trustee to effect the defeasance and discharge of the DASNY 2010 Bonds (with an additional amount of \$439,112.40 to be paid on the Closing Date from the Project Fund to the DASNY 2010 Bonds Trustee, such amount being equal to \$466,112.40 as amounts remaining with the DASNY 2020 Bonds Trustee, less \$27,000 in DASNY fees);

(ii) \$1,361,751.96, being an amount equal to the Debt Service Reserve Fund Requirement (Series 2020B), shall be deposited in the Debt Service Reserve Fund (Series 2020B/C); and

(iii) the balance of the proceeds of the Series 2020B Taxable Bonds shall be deposited in the Project Fund.

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) Project Fund
- (2) Bond Fund (Tax-Exempt)
 - (A) Principal Account
 - (B) Interest Account
 - (C) Redemption Account
 - (D) Sinking Fund Installment Account
- (3) Bond Fund (Taxable)
 - (A) Principal Account
 - (B) Interest Account
 - (C) Redemption Account
 - (D) Sinking Fund Installment Account
- (4) Earnings Fund
- (5) Rebate Fund
- (6) Debt Service Reserve Fund (Series 2020A)
- (7) Debt Service Reserve Fund (Series 2020B/C)

(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 be subject to the lien hereof; provided, however, that, (i) for so long as the Series 2020B Taxable Bonds are Outstanding, (y) amounts held in the Debt Service Reserve Fund (Series 2020A) or in the Bond Fund (Tax-Exempt) shall be pledged and available only to the Holders of the Series 2020A Bonds, and (z) amounts held in the Debt Service Reserve Fund (Series 2020B/C) or in the Bond Fund (Taxable) shall be pledged and available only to the Holders of the Series 2020B Taxable Bonds; and (ii) when the Series 2020B Taxable Bonds are no longer Outstanding, and the Series 2020C Bonds

are Outstanding, (y) amounts held in the Bond Fund (Tax-Exempt) shall be pledged and made available to the Holders of the Series 2020A Bonds and the Holders of the Series 2020C Bonds, and (z) amounts held in the Debt Service Reserve Fund (Series 2020B/C) shall be pledged and available only to the Holders of the Series 2020C Bonds.

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 (including interest on the principal amount of the Series 2020A Bonds allocable to the New Money Bond Financed Property until the completion of the Project Work to the extent permitted under the Tax Regulatory Agreement) to the extent requisitioned under subsection (b) hereto.

(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, and approval in writing by the Bondholder Representative (such approval not to be unreasonably withheld, delayed or denied); 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 approved in writing by the Bondholder Representative (such approval not to be unreasonably withheld, delayed or denied); 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 Series 2020A 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.

(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, the Bondholder Representative or the Institution upon reasonable written request.

(d) The Trustee shall on written request furnish to the Issuer, the Bondholder Representative 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 Work 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 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 Section 3.6 of the Tax Regulatory Agreement and Section 5.07, be deposited by the Trustee in the Redemption Account of the Bond Fund (Tax-Exempt). Upon payment of all the costs and expenses incident to the completion of the Project Work, 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 depositing in the Debt Service Reserve Fund (Series 2020A) and in the Debt Service Reserve Fund (Series 2020B/C) an amount equal to any deficiency therein (and if not sufficient to satisfy both deficiencies, then Pro Rata to each Debt Service Reserve Fund) be deposited in the Redemption Account of the Bond Fund (Tax-Exempt) to be applied to the redemption of Tax-Exempt Bonds at the earliest practicable date. The Trustee shall promptly notify the Institution of any amounts so deposited in the Redemption Account of the Bond Fund (Tax-Exempt) 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, the balance in the Project Fund and in the Earnings Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to Section 3.6 of the Tax Regulatory Agreement and Section 5.07) and in the Debt Service Reserve Funds shall be deposited Pro Rata in the Redemption Account of each Bond Fund. In the event the unpaid principal amount of the Bonds shall be accelerated upon the occurrence of an Event of Default hereunder, the balance in the Project Fund and in the Earnings Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to Section 3.6 of the Tax Regulatory Agreement and Section 5.07) and in the Debt Service Reserve Funds shall be deposited Pro Rata in each Bond Fund as provided in Section 8.03.

(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. [Reserved].

Section 5.04. Payments into Bond Funds. (a) The Trustee shall promptly deposit the following receipts into the Bond Fund (Tax-Exempt):

(i) The interest accruing on any Series of Tax-Exempt Bonds from the date of original issuance thereof to the date of delivery, which shall be credited to the

Interest Account of the Bond Fund (Tax-Exempt) and applied to the payment of interest on such Series of Tax-Exempt Bonds.

(ii) Amounts disbursed from the Project Fund for the payment of interest on the allocable principal amount of the Series 2020A Bonds financing the New Money Bond Financed Property until the completion of the Project Work (subject to the limitations set forth in the Tax Regulatory Agreement), which shall be credited to the Interest Account of the Bond Fund (Tax-Exempt) and applied to the payment of interest on the Series 2020A Bonds;

(iii) 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 (Series 2020A) and/or the Debt Service Reserve Fund (Series 2020B/C), in each case to the extent of any deficiency therein) (y) in the Redemption Account of the Bond Fund (Tax-Exempt) 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 Account, or (z) in the Bond Fund (Tax-Exempt) pursuant to the second sentence of Section 5.02(f).

(iv) Loan payments received by the Trustee pursuant to Section 4.3(a)(i) (1), (2), (3), (4) or (5), or Section 4.3(a)(iii) (1), (2), (3), (4) or (5), or Section 4.3(i)(y), of the Loan Agreement, which shall be deposited in and credited, to the extent necessary, first to the Interest Account, second to the Principal Account, and third to the Sinking Fund Installment Account of the Bond Fund (Tax-Exempt).

(v) Advance loan payments received by the Trustee pursuant to Section 4.3(c)(i) or 4.3(c)(iii) of the Loan Agreement, which shall be deposited in and credited to the Redemption Account of the Bond Fund (Tax-Exempt).

(vi) Any amounts transferred from the Earnings Fund pursuant to Section 5.06(c), which shall be deposited in and credited to the Interest Account of the Bond Fund (Tax-Exempt).

(vii) The excess amounts referred to in Section 5.05(d)(i), which shall be deposited in and credited to the Interest Account of the Bond Fund (Tax-Exempt).

(viii) Any amounts transferred from the Redemption Account of the Bond Fund (Tax-Exempt) pursuant to Section 5.05(h)(i), which shall be deposited to the Interest Account, the Principal Account and the Sinking Fund Installment Account of the Bond Fund (Tax-Exempt), as the case may be and in such order of priority, and applied solely to such purposes.

(ix) Net Proceeds required by the Master Trust Indenture to be applied to the redemption of the Tax-Exempt Bonds which shall be deposited to the Redemption Account of the Bond Fund (Tax-Exempt).

(x) Any amounts transferred from the Debt Service Reserve Fund (Series 2020A) or, if the Series 2020C Bonds are Outstanding and the Series 2020B Taxable Bonds are no longer Outstanding, the Debt Service Reserve Fund (Series 2020B/C), pursuant to Section 5.13(a)(i) or (iii), which shall be deposited in and credited to the Interest Account, the Principal Account, the Sinking Fund Installment Account or the Redemption Account, as the case may be, of the Bond Fund (Tax-Exempt).

(xi) Any amounts transferred from the Master Trust Indenture which shall be deposited and credited to the Interest Account, the Principal Account, the Sinking Fund Installment Account or the Redemption Account, as applicable, of the Bond Fund (Tax-Exempt).

(xii) 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 (Tax-Exempt), which shall be credited (except as provided in Section 8.03) to the Redemption Account of the Bond Fund (Tax-Exempt).

(b) The Trustee shall promptly deposit the following receipts into the Bond Fund (Taxable):

(i) The interest accruing on any Series of Taxable Bonds from the date of original issuance thereof to the date of delivery, which shall be credited to the Interest Account of the Bond Fund (Taxable) and applied to the payment of interest on such Series of Taxable Bonds.

(ii) Loan payments received by the Trustee pursuant to Section 4.3(a)(ii), (1), (2), (3), (4) or (5), or Section 4.3(i)(z), of the Loan Agreement, which shall be deposited in and credited, to the extent necessary, first to the Interest Account, second to the Principal Account, and third to the Sinking Fund Installment Account of the Bond Fund (Taxable).

(iii) Advance loan payments received by the Trustee pursuant to Section 4.3(c)(ii) of the Loan Agreement, which shall be deposited in and credited to the Redemption Account of the Bond Fund (Taxable).

(iv) For so long as Taxable Bonds are Outstanding, the excess amounts referred to in Section 5.05(d)(ii), which shall be deposited in and credited to the Interest Account of the Bond Fund (Taxable).

(v) For so long as Taxable Bonds are Outstanding, any amounts transferred from the Redemption Account of the Bond Fund (Taxable) pursuant to Section 5.05(h)(ii), which shall be deposited to the Interest Account, the Principal Account and the Sinking Fund Installment Account of the Bond Fund (Taxable), as the case may be and in such order of priority, and applied solely to such purposes.

(vi) Net Proceeds required by the Master Trust Indenture to be applied to the redemption of the Taxable Bonds which shall be deposited to the Redemption Account of the Bond Fund (Taxable).

(vii) For so long as Taxable Bonds are Outstanding, any amounts transferred from the Debt Service Reserve Fund (Series 2020B/C) pursuant to Section 5.13(a)(ii), which shall be deposited in and credited to the Interest Account, the Principal Account, the Sinking Fund Installment Account or the Redemption Account, as the case may be, of the Bond Fund (Taxable).

(viii) For so long as Taxable Bonds are Outstanding, any amounts transferred from the Master Trust Indenture which shall be deposited and credited to the Interest Account, the Principal Account, the Sinking Fund Installment Account or the Redemption Account, as applicable, of the Bond Fund (Taxable).

(ix) For so long as Taxable Bonds are Outstanding, 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 (Taxable), which shall be credited (except as provided in Section 8.03) to the Redemption Account of the Bond Fund (Taxable).

Section 5.05. Application of Bond Fund Moneys. (a)(i) The Trustee shall on each Interest Payment Date pay or cause to be paid to the respective Paying Agents therefor out of the Interest Account in the Bond Fund (Tax-Exempt) the interest due on the Tax-Exempt Bonds, and further pay out of the Interest Account of the Bond Fund (Tax-Exempt) any amounts required for the payment of accrued interest upon any purchase or redemption (including any mandatory Sinking Fund Installment redemption) of Tax-Exempt Bonds.

(ii) The Trustee shall on each Interest Payment Date pay or cause to be paid to the respective Paying Agents therefor out of the Interest Account in the Bond Fund (Taxable) the interest due on the Taxable Bonds, and further pay out of the Interest Account of the Bond Fund (Taxable) any amounts required for the payment of accrued interest upon any purchase or redemption (including any mandatory Sinking Fund Installment redemption) of Taxable Bonds.

(b) (i) The Trustee shall on each principal payment date on the Tax-Exempt Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund (Tax-Exempt), the principal amount, if any, due on the Tax-Exempt Bonds (other than such as shall be due by mandatory Sinking Fund Installment redemption), upon the presentation and surrender of the requisite Tax-Exempt Bonds.

(ii) The Trustee shall on each principal payment date on the Taxable Bonds pay or cause to be paid to the respective Paying Agents therefor out of the Principal Account of the Bond Fund (Taxable), the principal amount, if any, due on the Taxable Bonds (other than such as shall be due by mandatory Sinking Fund Installment redemption), upon the presentation and surrender of the requisite Taxable Bonds.

(c) (i) There shall be paid from the Sinking Fund Installment Account of the Bond Fund (Tax-Exempt) to the Paying Agents on each Sinking Fund Installment payment date on the Tax-Exempt Bonds in immediately available funds the amounts required for the Sinking Fund Installment due and payable with respect to the Tax-Exempt Bonds which are to be redeemed from Sinking Fund Installments on such date (accrued interest on such Bonds being

payable from the Interest Account of the Bond Fund (Tax-Exempt)). Such amounts shall be applied by the Paying Agents to the payment of such Sinking Fund Installment on the Tax-Exempt Bonds when due. The Trustee shall call for redemption, in the manner provided in Article VI, Tax-Exempt Bonds for which Sinking Fund Installments are applicable in a principal amount equal to the Sinking Fund Installment then due with respect to such Tax-Exempt 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 (Tax-Exempt).

(ii) There shall be paid from the Sinking Fund Installment Account of the Bond Fund (Taxable) to the Paying Agents on each Sinking Fund Installment payment date on the Taxable Bonds in immediately available funds the amounts required for the Sinking Fund Installment due and payable with respect to the Taxable Bonds which are to be redeemed from Sinking Fund Installments on such date (accrued interest on such Taxable Bonds being payable from the Interest Account of the Bond Fund (Taxable)). Such amounts shall be applied by the Paying Agents to the payment of such Sinking Fund Installment on the Taxable Bonds when due. The Trustee shall call for redemption, in the manner provided in Article VI, Taxable Bonds for which Sinking Fund Installments are applicable in a principal amount equal to the Sinking Fund Installment then due with respect to such Taxable 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 (Taxable).

(d) (i) Amounts in the Redemption Account of the Bond Fund (Tax-Exempt) shall be applied, at the written direction of the Institution, as promptly as practicable, to the purchase of Tax-Exempt Bonds at prices not exceeding the Redemption Price thereof applicable on the earliest date upon which the Tax-Exempt Bonds are next subject to optional redemption, plus accrued interest to the Redemption Date. Any amount in the Redemption Account of the Bond Fund (Tax-Exempt) not so applied to the purchase of Tax-Exempt Bonds by forty-five (45) days prior to the next date on which the Tax-Exempt Bonds are so redeemable shall be applied to the redemption of Tax-Exempt Bonds on such Redemption Date. Any amounts deposited in the Redemption Account of the Bond Fund (Tax-Exempt) and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Tax-Exempt Bonds (except if held in accordance with Article X) shall be transferred to the Interest Account of the Bond Fund (Tax-Exempt). Upon the purchase of any Tax-Exempt Bonds out of advance loan payments as provided in this subsection, or upon the redemption of any Tax-Exempt Bonds, an amount equal to the principal of such Tax-Exempt Bonds so purchased or redeemed shall be credited against the next ensuing and future Sinking Fund Installments for such Tax-Exempt Bonds in chronological order of the due dates of such Sinking Fund Installments until the full principal amount of such Tax-Exempt 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 of the Tax-Exempt Bonds for the purposes of any calculation thereof under this Indenture. The Tax-Exempt Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in Section 6.02. Amounts in the Redemption Account of the Bond Fund (Tax-Exempt) to be applied to the redemption of Tax-Exempt 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 Tax-Exempt Bonds being redeemed plus interest on such Tax-Exempt Bonds accrued to the Redemption Date.

(ii) Amounts in the Redemption Account of the Bond Fund (Taxable) shall be applied, at the written direction of the Institution, as promptly as practicable, to the purchase of Taxable Bonds at prices not exceeding the Redemption Price thereof applicable on the earliest date upon which the Taxable Bonds are next subject to optional redemption, plus accrued interest to the Redemption Date. Any amount in the Redemption Account of the Bond Fund (Taxable) not so applied to the purchase of Taxable Bonds by forty-five (45) days prior to the next date on which the Taxable Bonds are so redeemable shall be applied to the redemption of Taxable Bonds on such Redemption Date. Any amounts deposited in the Redemption Account of the Bond Fund (Taxable) and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Taxable Bonds (except if held in accordance with Article X) shall be transferred to the Interest Account of the Bond Fund (Taxable). Upon the purchase of any Taxable Bonds out of advance loan payments as provided in this subsection, or upon the redemption of any Taxable Bonds, an amount equal to the principal of such Taxable Bonds so purchased or redeemed shall be credited against the next ensuing and future Sinking Fund Installments for such Taxable Bonds in chronological order of the due dates of such Sinking Fund Installments until the full principal amount of such Taxable 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 of the Taxable Bonds for the purposes of any calculation thereof under this Indenture. The Taxable Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in Section 6.02. Amounts in the Redemption Account of the Bond Fund (Taxable) to be applied to the redemption of Taxable 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 Taxable Bonds being redeemed plus interest on such Taxable Bonds accrued to the Redemption Date.

(e) (i) In connection with purchases of Tax-Exempt Bonds out of the Bond Fund (Tax-Exempt) 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 Redemption Account of the Bond Fund (Tax-Exempt) and the payment of accrued interest shall be made out of moneys deposited in the Interest Account of the Bond Fund (Tax-Exempt).

(ii) In connection with purchases of Taxable Bonds out of the Bond Fund (Taxable) 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 Redemption Account of the Bond Fund (Taxable) and the payment of accrued interest shall be made out of moneys deposited in the Interest Account of the Bond Fund (Taxable).

(f) (i) The Issuer shall receive a credit in respect of Sinking Fund Installments for any Tax-Exempt 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 for such Tax-Exempt Bonds and for any Tax-Exempt Bonds which prior to said date have been purchased or redeemed (otherwise than through the operation of the Sinking Fund Installment Account of the Bond Fund (Tax-Exempt)) and cancelled by the Trustee and not theretofore applied as a credit against any Sinking Fund Installment (whether pursuant to Section 5.05(d)(i) or otherwise). Each Tax-Exempt Bond so delivered, cancelled or previously purchased or redeemed shall be credited by the Trustee at one hundred per cent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date with respect to Tax-Exempt Bonds of such Series and maturity and the principal amount of such Tax-Exempt Bonds to be redeemed by operation of the Sinking Fund Installment Account of the Bond Fund (Tax-Exempt) 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 inverse chronological order, and the principal amount of Tax-Exempt Bonds to be redeemed by application of Sinking Fund Installment payments shall be accordingly reduced.

(ii) The Issuer shall receive a credit in respect of Sinking Fund Installments for any Taxable 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 for such Taxable Bonds and for any Taxable Bonds which prior to said date have been purchased or redeemed (otherwise than through the operation of the Sinking Fund Installment Account of the Bond Fund (Taxable)) and cancelled by the Trustee and not theretofore applied as a credit against any Sinking Fund Installment (whether pursuant to Section 5.05(d)(ii) or otherwise). Each Taxable Bond so delivered, cancelled or previously purchased or redeemed shall be credited by the Trustee at one hundred per cent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date with respect to Taxable Bonds of such Series and maturity and the principal amount of such Taxable Bonds to be redeemed by operation of the Sinking Fund Installment Account of the Bond Fund (Taxable) 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 inverse chronological order, and the principal amount of Taxable Bonds to be redeemed by application of Sinking Fund Installment payments shall be accordingly reduced.

(g) (i) The Institution shall on or before the forty-fifth (45th) day next preceding each Sinking Fund Installment payment date for the Tax-Exempt Bonds 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 for the Tax-Exempt Bonds will be paid on or prior to the next succeeding Sinking Fund Installment payment date for the Tax-Exempt Bonds.

(ii) The Institution shall on or before the forty-fifth (45th) day next preceding each Sinking Fund Installment payment date for the Taxable Bonds 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 for the Taxable Bonds will be paid on or prior to the next succeeding Sinking Fund Installment payment date for the Taxable Bonds.

(h) (i) Moneys in the Redemption Account of the Bond Fund (Tax-Exempt) which are not set aside or deposited for the redemption or purchase of Tax-Exempt Bonds shall be transferred by the Trustee to the Interest Account, to the Principal Account or to the Sinking Fund Installment Account of the Bond Fund (Tax-Exempt).

(ii) Moneys in the Redemption Account of the Bond Fund (Taxable) which are not set aside or deposited for the redemption or purchase of Taxable Bonds shall be transferred by the Trustee to the Interest Account, to the Principal Account or to the Sinking Fund Installment Account of the Bond Fund (Taxable).

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 Debt Service Reserve Fund (Series 2020A), the Debt Service Reserve Fund (Series 2020B/C) or any other special fund (other than the Rebate Fund, the Bond Fund (Tax-Exempt) or the Bond Fund (Taxable)) 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Work as

evidenced in Section 3.2(f) of the Loan Agreement, and thereafter in the Interest Account of the Bond Fund (Tax-Exempt).

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 Work pursuant to Section 3.2(f) of the Loan Agreement, 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 Work 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 Work as evidenced in Section 3.2(f) of the Loan Agreement, or, after the completion of the Project, deposit it in the Interest Account of the Bond Fund (Tax-Exempt).

(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 Tax-Exempt Bonds as of the date of such payment and (ii) notwithstanding the provisions of Article X, not later than thirty (30) days after the date on which all Tax-Exempt 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 any 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 Bonds shall be used, directly or indirectly, in such manner as to cause any Tax-Exempt Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code. In particular, unexpended Tax-Exempt Bond proceeds transferred from the Project Fund (or from the Earnings Fund with respect to amounts deposited therein from the Project Fund) to the Redemption Account of the Bond Fund (Tax-Exempt) 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 applicable Series of Tax-Exempt 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 (Taxable) with respect to the investment of amounts held in the Bond Fund (Taxable), (iii) the Bond Fund (Tax-Exempt) with respect to the investment of amounts held in the Bond Fund (Tax-Exempt) 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 each 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) (i) In the case of the Debt Service Reserve Fund (Series 2020A), a “surplus” means the amount by which the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement (Series 2020A). On each Debt Service Reserve Fund Valuation Date (or the succeeding Business Day if such day is not a Business Day), commencing December 15, 2020, and upon any withdrawal from the Debt Service Reserve Fund (Series 2020A), the Trustee shall determine the amount on deposit in the Debt Service Reserve Fund (Series 2020A); provided that, if there is a deficiency in the Debt Service Reserve Fund (Series 2020A), the Trustee shall determine the value of the amounts on deposit in the Debt Service Reserve Fund (Series 2020A) on a monthly basis until such deficiency is cured. If on any such date a deficiency exists, the Trustee shall notify the Bondholder Representative, the Issuer and the Institution of such deficiency and that such deficiency must be replenished by the Institution as required by Section 4.3(a)(i)(6) of the Loan Agreement. The Institution shall, in no more than six (6) consecutive equal monthly installments, the first of which shall be made within thirty (30) days from the date of such deficiency, pay an amount equal to such deficiency to the Trustee for deposit in the Debt Service Reserve Fund (Series 2020A) to restore the amount in the Debt Service Reserve Fund (Series 2020A) to equal the Debt Service Reserve Fund Requirement (Series 2020A); provided further, that if any additional decline occurs prior to the restoration of any deficiency, such additional decline shall be restored in equal monthly installments over the remainder of the restoration period for the initial decline. If a surplus exists, the Trustee shall notify the Issuer, the Bondholder Representative and the Institution thereof and, subject to the

requirements of Section 3.6 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 Work as provided in Section 3.2(f) of the Loan Agreement, and thereafter shall transfer such amount to the Interest Account of the Bond Fund (Tax-Exempt).

(ii) In the case of the Debt Service Reserve Fund (Series 2020B/C), a “surplus” means the amount by which the amount on deposit therein is in excess of (y) the Debt Service Reserve Fund Requirement (Series 2020B) for so long as the Series 2020B Taxable Bonds are Outstanding or (z) the Debt Service Reserve Fund Requirement (Series 2020C) for so long as the Series 2020C Bonds are Outstanding. On each Debt Service Reserve Fund Valuation Date (or the succeeding Business Day if such day is not a Business Day), commencing December 15, 2020, and upon any withdrawal from the Debt Service Reserve Fund (Series 2020B/C), the Trustee shall determine the amount on deposit in the Debt Service Reserve Fund (Series 2020B/C); provided that, if there is a deficiency in the Debt Service Reserve Fund (Series 2020B/C), the Trustee shall determine the value of the amounts on deposit in the Debt Service Reserve Fund (Series 2020B/C) on a monthly basis until such deficiency is cured. If on any such date a deficiency exists, the Trustee shall notify the Bondholder Representative, the Issuer and the Institution of such deficiency and that such deficiency must be replenished by the Institution as required by Section 4.3(a)(ii)(6) or Section 4.3(a)(iii)(6), as applicable, of the Loan Agreement. The Institution shall, in no more than six (6) consecutive equal monthly installments, the first of which shall be made within thirty (30) days from the date of such deficiency, pay an amount equal to such deficiency to the Trustee for deposit in the Debt Service Reserve Fund (Series 2020B/C) to restore the amount in the Debt Service Reserve Fund (Series 2020B/C) to equal the applicable Debt Service Reserve Fund Requirement; provided further, that if any additional decline occurs prior to the restoration of any deficiency, such additional decline shall be restored in equal monthly installments over the remainder of the restoration period for the initial decline. If a surplus exists, the Trustee shall notify the Issuer, the Bondholder Representative and the Institution thereof and, subject to the requirements of Section 3.6 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 Work as evidenced in Section 3.2(f) of the Loan Agreement, and thereafter shall transfer such amount Pro Rata to the Interest Account of each Bond Fund.

(g) Although the Issuer and the Institution each recognize that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer and the Institution hereby agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

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, the Bondholder Representative 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 X) and the payment of all fees, charges and expenses of the Issuer, the Trustee, 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 Redemption Date 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 Funds. (a) (i) If on any Interest Payment Date or Redemption Date on the Series 2020A Bonds, the amount in the Interest Account of the Bond Fund (Tax-Exempt) (after taking into account amounts available to be transferred to the Interest Account of the Bond Fund (Tax-Exempt) from the Project Fund) shall be less than the amount of interest then due and payable on the Series 2020A Bonds, or if on any principal payment date on the Series 2020A Bonds, the amount in the Principal Account of the Bond Fund (Tax-Exempt) shall be less than the amount of principal of the Series 2020A Bonds then due and payable, 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 on account of such interest or principal, then, with the prior written consent of the Bondholder Representative, the Trustee forthwith shall transfer moneys from the Debt Service Reserve Fund (Series 2020A) (and, if the Series 2020B Taxable Bonds are no longer Outstanding, and the Bondholder Representative shall consent in writing thereto, the Debt Service Reserve Fund (Series 2020B/C)), first, to such Interest Account, and second to such

Principal Account, of the Bond Fund (Tax-Exempt), all to the extent necessary to make good any such deficiency.

(ii) If on any Interest Payment Date or Redemption Date on the Series 2020B Taxable Bonds, the amount in the Interest Account of the Bond Fund (Taxable) shall be less than the amount of interest then due and payable on the Series 2020B Taxable Bonds, or if on any principal payment date on the Series 2020B Taxable Bonds, the amount in the Principal Account of the Bond Fund (Taxable) shall be less than the amount of principal of the Series 2020B Taxable Bonds then due and payable, 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 on account of such interest or principal, then, with the prior written consent of the Bondholder Representative, the Trustee forthwith shall transfer moneys from the Debt Service Reserve Fund (Series 2020B/C), first, to such Interest Account, second to such Principal Account, of the Bond Fund (Taxable), all to the extent necessary to make good any such deficiency.

(iii) If on any Interest Payment Date or Redemption Date on the Series 2020C Bonds, the amount in the Interest Account of the Bond Fund (Tax-Exempt) shall be less than the amount of interest then due and payable on the Series 2020C Bonds, or if on any principal payment date on the Series 2020C Bonds, the amount in the Principal Account of the Bond Fund (Tax-Exempt) shall be less than the amount of principal of the Series 2020C Bonds then due and payable, 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 on account of such interest or principal, then, with the prior written consent of the Bondholder Representative, the Trustee forthwith shall transfer moneys from the Debt Service Reserve Fund (Series 2020B/C) (and, if the Bondholder Representative shall consent in writing thereto, the Debt Service Reserve Fund (Series 2020A)), first, to such Interest Account, and second to such Principal Account, of the Bond Fund (Tax-Exempt), all to the extent necessary to make good any such deficiency.

(iv) Notwithstanding the foregoing, (y) amounts in the Debt Service Reserve Fund (Series 2020A) (and, if the Series 2020B Taxable Bonds are no longer Outstanding, the Debt Service Reserve Fund (Series 2020B/C)) may be applied to pay Debt Service on the Tax-Exempt Bonds during the twelve (12) months immediately preceding and including the final Debt Service payment at maturity of the Tax-Exempt Bonds, and (z) amounts in the Debt Service Reserve Fund (Series 2020B/C) may be applied to pay Debt Service on the Taxable Bonds during the twelve (12) months immediately preceding and including the final Debt Service payment at maturity of the Taxable Bonds.

(b) The Trustee shall give to the Institution and the Bondholder Representative on or prior to each Loan Payment Date on which the Institution is obligated pursuant to Section 4.3(a)(i)(6), Section 4.3(a)(ii)(6) or Section 4.3(a)(iii)(6), as applicable, of the Loan Agreement to pay to the Trustee amounts in respect of any deficiency in a Debt Service Reserve Fund, telephonic notice (to be promptly confirmed in writing) specifying any such deficiency in such Debt Service Reserve Fund. The failure of the Trustee to deliver such notice or any defect in such notice shall not relieve the Institution from any of its obligations hereunder or any other obligor from any of its obligations under any of the Security Documents.

(c) Upon any redemption or defeasance of all or any portion of the Series 2020A Bonds, the Series 2020B Taxable Bonds or the Series 2020C Bonds, moneys no longer required to remain on deposit in (y) the Debt Service Reserve Fund (Series 2020A) and in the Debt Service Reserve Fund (Series 2020B/C) in the case of the Series 2020A Bonds and/or the Series 2020C Bonds, or (z) the Debt Service Reserve Fund (Series 2020B/C) in the case of the Series 2020B Taxable Bonds, may be used for the purposes of such redemption or defeasance; provided, however, the amount remaining in such Debt Service Reserve Fund following such use shall not be less than the reduced applicable Debt Service Reserve Fund Requirement as will be applicable to the remainder of such Bonds Outstanding. Upon the final maturity of (Y) the Series 2020A Bonds and the Series 2020C Bonds, the Trustee shall transfer the balance on deposit in the Debt Service Reserve Fund (Series 2020A) and the Debt Service Reserve Fund (Series 2020B/C) to the Bond Fund (Tax-Exempt) for payment of the Series 2020A Bonds and the Series 2020C Bonds, and (z) the Series 2020B Taxable Bonds, the Trustee shall transfer the balance on deposit in the Debt Service Reserve Fund (Series 2020B/C) to the Bond Fund (Taxable) for payment of the Series 2020B Taxable Bonds.

(d) The Debt Service Reserve Fund (Series 2020A) is exclusively for the benefit of the Holders of Tax-Exempt Bonds and is not available to any Holder of any Taxable Bonds. The Debt Service Reserve Fund (Series 2020B/C) is for the benefit of any Holder of the Series 2020B Taxable Bonds, and when the Series 2020B Taxable Bonds are no longer Outstanding, the Holder of any of the Series 2020C Bonds (and, if the Bondholder Representative shall consent in writing, the Holders of any of the Series 2020A Bonds). No other Person shall have any right, claim or access to either Debt Service Reserve Fund, including any other holder of Obligations.

(e) (i) The Institution may satisfy all or a portion of a Debt Service Reserve Fund Requirement by obtaining a Reserve Fund Credit Facility, to which the Bondholder Representative shall consent in writing, payable to the Trustee for the benefit of Bondholders pursuant to which the Trustee may obtain an amount sufficient to satisfy said Debt Service Reserve Fund Requirement. The Reserve Fund Credit Facility will be payable (upon the giving of notice as required thereunder) (A) on the morning of any date on which moneys will be required to be withdrawn from the related Debt Service Reserve Fund and applied to the payment of principal or interest on the applicable Series 2020 Bonds and such withdrawal cannot be met by amounts on deposit in such Debt Service Reserve Fund (provided, however, that such Reserve Fund Credit Facility need not provide for payment in the case of an optional redemption of any Series 2020 Bonds) and (B) on any date provided in the paragraph (vii) of this Section below.

(ii) If the Reserve Fund Credit Facility is a letter of credit, the letter of credit issuer must be a bank, trust company, national banking association or a corporation, whose senior unsubordinated long term debt is rated “A” or higher by S&P or “A2” or higher by Moody’s. If a Reserve Fund Credit Facility is an insurance policy, the insurer providing any insurance policy must be an insurer whose policies insuring the payment, when due, of the principal of and interest on long term tax exempt bond issues results in such issues being rated “A” or higher by S&P or “A2” or higher by Moody’s. In the event that the Institution is notified that the rating of the insurer or letter of credit issuer has fallen below that required in the previous sentence, the Institution will notify

the Trustee and the Bondholder Representative in writing and either (i) arrange for another Reserve Fund Credit Facility which meets the rating requirements described above to be substituted in such Debt Service Reserve Fund within 12 months of such notification, or (ii) pay for deposit in such Debt Service Reserve Fund an amount equal to the maximum amount payable under such Reserve Fund Credit Facility within three months of such notification.

(iii) Any Reserve Fund Credit Facility will have an initial term of at least two years and may be renewed or extended for one or more additional terms of one year or more, at the option of the Institution and the provider of the Reserve Fund Credit Facility, so long as any such renewal term has been agreed to by the Institution and the provider of the Reserve Fund Credit Facility no later than three (3) Business Days prior to the stated expiration date of any such Reserve Fund Credit Facility.

(iv) No such Reserve Fund Credit Facility may be obtained to satisfy all or a portion of a Debt Service Reserve Fund Requirement unless (A) the Institution delivers to the Trustee, the Bondholder Representative and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the funds being replaced by such Reserve Fund Credit Facility are being expended for qualifying costs of the Project Work and such replacement and expenditure of funds will not adversely affect the exclusion from gross income of interest on Tax-Exempt Bonds for federal income tax purposes, if applicable, (B) the Institution delivers a certificate by an Authorized Representative of the Institution to the Trustee and the Bondholder Representative stating that the Reserve Fund Credit Facility meets all of the requirements of this Indenture, and (C) the Trustee receives the written consent thereto of the Bondholder Representative.

(v) If a disbursement is made pursuant to a Reserve Fund Credit Facility provided pursuant to this paragraph, the Institution will either (A) cause the maximum limits of such Reserve Fund Credit Facility to be reinstated, or (B) deposit into such Debt Service Reserve Fund an amount equal to the amount of the disbursement made under such Reserve Fund Credit Facility, or a combination of such alternatives, as will provide that the amount of cash, together with any such Reserve Fund Credit Facility, in such Debt Service Reserve Fund equals the applicable Debt Service Reserve Fund Requirement.

(vi) If funds on deposit in a Debt Service Reserve Fund, when added to the undrawn face amount of the then applicable Reserve Fund Credit Facility, exceed the applicable Debt Service Reserve Fund Requirement (the "Excess Funds"), then the Excess Funds will be withdrawn at the written direction of the Institution, provided that such funds will be used by the Institution first, to pay to any letter of credit issuer any amounts previously drawn under any such letter of credit, together with accrued interest thereon to the payment date, or to pay to the issuer of any such insurance policy any amounts then due under such policy. Except in the case of Excess Funds, no amounts may be withdrawn from a Debt Service Reserve Fund to pay the provider of a Reserve Fund Credit Facility.

(vii) The Institution will notify the Trustee and the Bondholder Representative immediately if by the date which is three (3) Business Days prior to the stated expiration date of any Reserve Fund Credit Facility, no arrangement has been made to renew or replace such Reserve Fund Credit Facility, and the Institution will deposit in the related Debt Service Reserve Fund, not later than such third Business Day prior to the stated expiration date of such Reserve Fund Credit Facility, an amount equal to the maximum amount payable under such Reserve Fund Credit Facility; if the Institution fails to make such payment by such date, the Trustee will, on such date, without further authorization or direction, draw upon such Reserve Fund Credit Facility in the full available amount and deposit the proceeds of such drawing in such Debt Service Reserve Fund. The Trustee, at the written direction of the Institution, will terminate any Reserve Fund Credit Facility by giving the appropriate notice or certification to such effect to the issuer of the Reserve Fund Credit Facility; provided that, before such termination, the Institution will cause to be deposited in such Debt Service Reserve Fund another Reserve Fund Credit Facility, or cash, or combination of such alternatives, equal to the applicable Debt Service Reserve Fund Requirement.

(viii) The Trustee shall not be responsible for the sufficiency of any Reserve Fund Credit Facility or for any failure of a Reserve Fund Credit Facility Provider to pay any amounts due pursuant to the Reserve Fund Credit Facility.

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 related 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 related Series shall be of a denomination of less than the Authorized Denomination for such related Series of Bonds. In the event of redemption of less than all the Outstanding Bonds of the same related 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 related Series of Bonds to be redeemed and by lot within a maturity. The portion of Bonds of any related 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 related Series for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of such related 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 related Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same related 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 Redemption Date 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 related 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 (or such shorter period as the Bondholder Representative may elect) prior to the Redemption Date (except that any redemption under Section 2.03(f)(i) or (ii) shall be not less than twenty (20) days before the Redemption Date), to the Bondholder Representative and 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 the 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 Bondholder Representative and 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 Series 2020 Bonds may, by written request to the Trustee no later than five (5) days prior to the Redemption Date, direct that payments of Redemption Price and accrued interest to the Redemption Date 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 interest, principal, Purchase Price or Redemption Price of, and Sinking Fund Installments for, the Bonds, together with interest accrued thereon, 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, to assign the Loan Agreement, to execute and deliver the Master Assignment of Mortgage and the Master Assignment of ALR, 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 Bondholders 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 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 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 and the Bondholder Representative 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 consultation with the Bondholder Representative, 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. 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 or consent of the Bondholder Representative, shall defend the interest of the Institution in the Facility 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, Purchase Price 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 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 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 Series 2020 Bonds, and because the Series 2020 Bonds are municipal debt securities with a term that is under twenty (20) years in duration, there is a 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.

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, the Bondholder Representative 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 fifth (5th) 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 fifth (5th) anniversary of the Closing Date, and (z) every five-year anniversary thereafter through the term of the Series 2020 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 Tax-Exempt 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”:

(1) Failure in the payment of the interest on any Bond when the same shall become due and payable;

(2) Failure in the payment of the principal, Purchase Price 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 Redemption Date after notice of redemption therefor or otherwise;

(3) 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, the Bondholder Representative or 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 sixty (60) days of delivery of said notice;

(4) The occurrence of an “Event of Default” under the Loan Agreement or any other Project Document; or

(5) Receipt by the Trustee of written notice from the Master Trustee to the effect that any of the Master Trust Notes have been accelerated under the Master Trust Indenture, unless such acceleration has been rescinded and annulled pursuant to the Master Trust Indenture.

(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 (with the prior consent of the Bondholder Representative and by notice in writing to the Issuer and the Institution), the Bondholder Representative or 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, the Bondholder Representative 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, the Bondholder Representative or 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, the Bondholder Representative (or, if no Bondholder Representative is in effect, the Majority Holders) by written notice to the Issuer and the Trustee, may direct the Trustee to rescind and annul such declaration and its consequences in which event 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.

Section 8.02. Enforcement of Remedies. (a) Upon the occurrence and continuance of any Event of Default, then and in every case the Trustee, with the prior consent of the Bondholder Representative, may proceed, and upon the written request of the Bondholder Representative or 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 Funds 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, with the prior written consent of the Bondholder Representative or the Majority Holders, 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 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 any action taken by the Trustee shall be for the equal benefit of the Holders of all Outstanding Bonds.

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, and all moneys held in all Funds and Accounts (other than the Rebate Fund), shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses, liabilities and advances (including legal fees and expenses) 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), and after making any required deposits to the Rebate Fund in accordance with the Tax Regulatory Agreement, be deposited Pro Rata in the Bond Fund (Tax-Exempt) and the Bond Fund (Taxable); provided, however, that (i) the amounts on deposit in the Bond Fund (Tax-Exempt) shall remain in such Fund and (ii) the amounts on deposit in the Bond Fund (Taxable) shall remain in such Fund, and all moneys so deposited and available for payment of the Bonds shall be applied, subject to Section 9.04, as follows (provided, however, that the amounts on deposit in the Bond Fund (Tax-Exempt), in the Debt Service Reserve Fund (Series 2020A) and,

while the Series 2020C Bonds are Outstanding, in the Debt Service Reserve Fund (Series 2020B/C), shall only be applied to the payment of Tax-Exempt Bonds, and the amounts on deposit in the Bond Fund (Taxable) and, while the Series 2020B Taxable Bonds are Outstanding, in the Debt Service Reserve Fund (Series 2020B/C), shall only be applied to the payment of Taxable Bonds), and all moneys so deposited and available for payment of the Bonds shall be applied, subject to Section 9.04, as follows:

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, Purchase Price 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.

(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, in consultation with the Bondholder Representative, 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 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) Subject to the right of the Bondholder Representative or the Majority Holders to direct the Trustee to undertake an enforcement action (including the instituting by the Trustee of any suit, action or proceeding at law or in equity in accordance with Section 8.05), no Holder of any Bond 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 the Bonds, 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 (with a copy to the Bondholder Representative) and shall have offered it 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 adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee 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 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 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, then and in every such case, the Institution, the Issuer, the Trustee, the Bondholder Representative and the Bondholders shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee 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, 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, the Bondholder Representative or the Bondholders.

Section 8.10. Notice of Default. The Trustee shall promptly mail to the Issuer, to the Master Trustee, to the Bondholder Representative, to the Institution and, if no Bondholder Representative shall then be in effect, to registered Holders of Bonds, by first class mail, postage prepaid, written notice of the occurrence of any Event of Default.

Except as set forth in Section 13.12, no notices shall be sent to the registered Holders (other than the Securities Depository) or the Beneficial Owners of Hamlin Investor Bonds, without the prior written consent of Hamlin, including, without limitation, notices of defaults or of Events 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 or consent 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 at least 66⅔ in aggregate principal amount 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 and of the Bondholder Representative in connection with such default shall have been paid or provided for, or in case any proceeding taken by the Trustee on account of any such

default shall have been discontinued or abandoned or determined adversely to the Trustee, 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.

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 reasonable 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 any offering document 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 depository 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. 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 Master Trustee, the Bondholder Representative, the Institution, the Issuer 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 Bondholder Representative, the Issuer (or Nationally Recognized Bond Counsel) or any Bondholder or Beneficial Owner or former Bondholder or Beneficial Owner.

(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 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, the Master 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, the Bondholder Representative 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, this Indenture or 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.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any direction of the Bondholder Representative or the Holders of the applicable percentage of the Holders of Outstanding Bonds permitted to be given by them under this Indenture.

(j) The Trustee may seek the approval of the Bondholder Representative or the Holders of the Bonds by any means it deems appropriate and not inconsistent with the terms of this Indenture or the Master Trust Indenture in connection with the giving of any consent or taking of any action in its capacity as holder of any Master Trust Notes (Build NYC Resource Corporation).

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 X) for the foregoing advances, fees, costs and expenses incurred.

When the Trustee or the Bondholder Representative incurs expenses or renders services in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of their counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors' rights generally.

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 Master Trustee, to the Bondholder Representative, to the Institution and, if the Bondholder Representative shall no longer be in effect, 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, the Bondholder Representative or 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 the Majority Holders, by an instrument or concurrent instruments in writing, signed by the Bondholder Representative or the Majority Holders 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 Bondholder Representative, the Holder of any Bond then Outstanding, the Issuer, 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, Purchase Price 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. The Paying Agent shall provide the CUSIP number for each Bond with each payment of interest on, and the principal or the Redemption Price of, any Bond, specifying the amount paid in respect of each CUSIP number.

(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.

Section 9.12. Appointment of Bondholder Representative. (a) The initial Bondholder Representative is Hamlin Capital Management, LLC. Hamlin Capital Management LLC shall remain the Bondholder Representative so long as the Beneficial Owners are clients of Hamlin Capital Management LLC and remain the Majority Holders. Thereafter, 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 Issuer, the Institution and the Trustee, to act on behalf of the Holders of the Series 2020 Bonds Outstanding hereunder to give any consents, authorizations, or approvals; exercise any rights of the Holders; or take any other action as may be taken by the Holders of the Series 2020 Bonds or a percentage in aggregate principal amount thereof under this Indenture, the Loan Agreement or any other Security Document. 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.

(b) Unless otherwise specified in the notice delivered to the Issuer, the Institution and the Trustee appointing a subsequent Bondholder Representative pursuant to Section 9.12(a), such Bondholder Representative shall be the sole representative of the Holders of the Series 2020 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 (with a copy to the Issuer and the Institution) by the Majority Holders. A Bondholder Representative may resign at any time by delivering written notice thereof to the Trustee (with a copy to the Issuer and the Institution). 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 Security 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, notifying the Trustee and the Issuer when it shall cease to serve as Bondholder Representative or shall no longer be designated as Bondholder Representative by the Majority Holders.

(e) 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, bad faith 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 Security 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.

(f) The Trustee shall pay the reasonable fees and expenses (including reasonable fees and expenses of counsel) of the Bondholder Representative upon invoice to the Institution, 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 Series 2020 Bonds hereunder) under this Indenture, and in connection with any amendment, modification, supplement, consent or waiver with respect to or required under any of the Security Documents, 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 arose from the gross negligence, bad faith or willful misconduct of the 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 in accordance with terms of the Loan Agreement.

Section 9.13. Certain Trustee Obligations. The Trustee shall not unreasonably (i) refuse to enter into any Supplemental Indenture as permitted under Article XI, or (ii) withhold its consent to any amendment, change or modification of any Related Security Document or other Project Document; provided, however, that any such refusal or withholding shall not be deemed unreasonable if the Trustee shall reasonably believe that such Supplemental Indenture, amendment, change or modification, affects adversely the rights, protections and immunities of, or increase the obligations or duties of, the Trustee.

ARTICLE X

DISCHARGE OF INDENTURE; DEFEASANCE

Section 10.01. 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 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 10.02. Defeasance Opinion and Verification. Prior to any defeasance becoming effective as provided in Section 10.01(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 Tax-Exempt 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 10.03. No Limitation of Rights of Holders. No provision of this Article X, 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 XI

AMENDMENTS OF INDENTURE

Section 11.01. 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 11.02. 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:

(1) 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 is not materially adverse to the interests of the Bondholders. The Issuer and the Trustee may request an Opinion of Counsel with respect to any foregoing matters.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

(6) 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 Tax-Exempt Bonds not be includable in gross income for federal income tax purposes.

(7) 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.

(8) 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.

(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 11.03. Supplemental Indentures With Bondholders' Consent. (a)

Subject to the terms and provisions contained in this Article, the Bondholder Representative (or the Holders of the specified percentage in aggregate principal amount of the Bonds Outstanding) 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, Purchase Price or redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption, purchase or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Purchase Price 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, unless (y) the Bondholder Representative, acting on behalf of the Holders of at least 66 2/3% in aggregate principal amount of the Bonds Outstanding, or if the Bondholder Representative shall not then be in effect or not so acting, then at least the Holders of such aggregate percentage of Outstanding Bonds, shall consent thereto, and (z) the change shall be equally applicable to all Outstanding Bonds, (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 11.03(a), without, in the case of items (ii) through and including (v) of this Section 11.03(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 the Bondholder Representative (or, if no Bondholder Representative shall then be in effect, 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, the Bondholder Representative and 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, the Majority Holders, or the Holders of not less than the applicable percentage in aggregate principal amount of the Bonds Outstanding, 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 Tax-Exempt Bonds to become includable in gross income for federal income tax purposes. Each valid consent 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, the Bondholder Representative 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 11.04. 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 11.02 or 11.03.

ARTICLE XII

AMENDMENTS OF RELATED SECURITY DOCUMENTS

Section 12.01. Rights of Institution. Anything herein to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to Article XI 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; provided, however, that no prior written consent of the Institution shall be required if a default shall exist under 9.1(a), (b) or (j) of the Loan Agreement.

Section 12.02. 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 as to items (i), (ii), (iii), (v) or (vii) below), 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; (vi) to provide for changes to Section 5.1 of the Loan Agreement; and (vii) 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 Tax-Exempt Bonds to cease to be excluded from gross income for federal income tax purposes under the Code.

Section 12.03. Amendments of Related Security Documents Requiring Consent of Bondholders. Except as provided in Section 12.02, 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 the Majority Holders given and procured as in Section 11.03 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 (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 Tax-Exempt Bonds 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 XI 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 the Bondholder Representative and 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 Tax-Exempt Bonds to cease to be excluded from gross income for federal income tax purposes under the Code.

ARTICLE XIII

MISCELLANEOUS

Section 13.01. 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 11.03 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) 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 13.02. 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, the Bondholder Representative or the Master Trustee 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
One Liberty Plaza
New York, New York 10006
Attention: General Counsel

with a copy to

Build NYC Resource Corporation
One Liberty Plaza
New York, New York 10006
Attention: Executive Director

- (2) if to the Institution, to

St. Francis College
180 Remsen Street
Brooklyn, New York 11201
Attention: Chief Financial Officer

with a copy to

Squire Patton Boggs
555 South Flower Street, 31st Floor
Los Angeles, California 90771
Attention: Harriet M. Welch, Esq.

- (3) if to the Trustee, to

U.S. Bank National Association,
100 Wall Street, 6th Floor
New York, New York 10005
Attention: Corporate Trust Administration

- (4) if to the Bondholder Representative, to

Hamlin Capital Management, LLC
640 Fifth Avenue, 11th Floor
New York, New York 10019
Attention: Parker Stitzer

with a copy to

McCarter & English LLP
100 Mulberry Street
Newark, New Jersey 07102
Attention: Jacqueline Shanes, Esq.

(5) if to the Master Trustee, to

UMB Bank, National Association
100 William Street, Suite 1850
New York, New York 10038
Attention: David Massa

The Issuer, the Institution, the Trustee, the Bondholder Representative and the Master Trustee 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.

A duplicate copy of each demand, notice, approval, request, consent, opinion or other communication given hereunder by either the Issuer or the Trustee to the other shall also be given to the Bondholder Representative

No notices shall be sent to Beneficial Owners of Hamlin Investor Bonds without the consent of the Bondholder Representative, including, without limitation, notices of failure to comply with covenants and Events of Default.

In addition to the above means of delivering notice, the Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Institution shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“**Authorized Officers**”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Institution whenever a person is to be added or deleted from the listing. If the Institution elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Institution understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Institution shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Institution and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Institution. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Institution agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by

third parties; (ii) that each is individually fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Institution; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 13.03. 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 Trustee, the Bondholder Representative, the Master 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 Trustee, the Bondholder Representative, the Master Trustee, the Bond Registrar, the Paying Agents and the Holders of the Bonds.

Section 13.04. 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 of such illegal or invalid provision had not been contained herein.

Section 13.05. 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 13.06. 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 13.07. 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 Purchase Price 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. None of the Bonds, the interest thereon, the Sinking Fund Installments therefor, or the Purchase Price or 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 13.08. 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 13.09. 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 13.10. 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 proferentem doctrine, that would require interpretation of any ambiguities in this Indenture against the party that has drafted it.

Section 13.11. Control by Bondholder Representative or the Majority Holders. Notwithstanding any other provision to the contrary, any discretionary action on the

part of the Trustee contained herein or in any Security Document, including, without limitation, any consent or waiver hereunder or thereunder, which would otherwise require the Trustee to seek the direction of a stated percentage of Bondholders, shall require the prior written consent of the Bondholder Representative or the Majority Holders, and the Trustee hereby agrees to take such action, or refrain from taking such action, upon the written direction of the Bondholder Representative or the Majority Holders. Notwithstanding the foregoing, the Trustee shall not be required to take any such action at the direction of the Bondholder Representative or the Majority Holders unless indemnification is made available to the Trustee as provided in Section 9.02.

Section 13.12. Bondholder Representative Deemed Owner. For all purposes herein, so long as the Majority Holders of the Series 2020 Bonds have designated a Bondholder Representative within the meaning of this Indenture, such entity shall be deemed to be the owner of such Series 2020 Bonds and entitled to provide all consents, directions and waivers and control all remedies with respect thereto to the exclusion of such Bondholders so long as such Bondholder Representative is duly authorized and designated, subject, however, to Section 9.12.

Notwithstanding any provision to the contrary contained herein, any notice, request, consent, direction, waiver, approval, agreement, or other action of the initial Bondholder Representative shall constitute and have the same effect as a notice, request, consent, direction, waiver, approval, agreement, or other action of the Beneficial Owners of Hamlin Investor Bonds and, so long as there is the initial Bondholder Representative with respect to a Hamlin Investor Bond, notices shall be given to such Bondholder Representative and not to the Holders (except that the Trustee may send routine balancing and payment processing notices to DTC at such time as DTC is the Holder of the Series 2020 Bonds) or to the Beneficial Owners represented by such Bondholder Representative, and any notice, request, consent, direction, waiver, approval, agreement, or other action of a subsequent Bondholder Representative shall constitute and have the same effect as a notice, request, consent, direction, waiver, approval, agreement, or other action of the Beneficial Owners of the Series 2020 Bonds represented by such Bondholder Representative. A copy of any notice given to or sent by the Trustee shall also be provided to the Bondholder Representative.

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, all as of the day and year first above written.

BUILD NYC RESOURCE CORPORATION

By: _____
Krishna Omolade
Executive Director

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Michelle Mena-Rosado
Vice President

STATE OF NEW YORK)
 : ss.:
COUNTY OF _____)

On the ____ day of _____, in the year two thousand twenty, 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 _____)

On the ____ day of _____, in the year two thousand twenty, before me, the undersigned, personally appeared Michelle Mena-Rosado, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her 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

Parcel 1

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of Remsen Street distant 75 feet easterly from the corner formed by the intersection of the southerly side of Remsen Street with the easterly side of Clinton Street;

RUNNING THENCE southerly and parallel with the easterly side of Clinton Street, 105 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 25 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 1 foot 10 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 90 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 5 foot 5 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 8 feet;

THENCE southerly and parallel with the easterly side of Clinton Street, 2 feet 3 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 29 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 15 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 37 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 15 feet 2 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 108 feet 4 3/8 inches;

THENCE northerly and parallel with the easterly side of Clinton Street, 100 feet to the southerly side of Remsen Street;

THENCE westerly along the southerly side of Remsen Street, 300 feet to the point or place of BEGINNING.

Parcel 2

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of Joralemon Street distant 101 feet 2 inches easterly from the corner formed by the intersection of the northerly side of Joralemon Street with the easterly side of Clinton Street;

RUNNING THENCE northerly and parallel with the easterly side of Clinton Street, 113 feet 7 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 90 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 5 foot 5 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 8 feet;

THENCE southerly and parallel with the easterly side of Clinton Street, 2 feet 3 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 21 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 97 feet 4 $\frac{3}{4}$ inches to the northerly side of Joralemon Street;

THENCE westerly along the northerly side of Joralemon Street, 135 feet 9 inches to the point or place of BEGINNING.

Parcel 3

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of Joralemon Street distant 236 feet 11 inches easterly from the corner formed by the intersection of the northerly side of Joralemon Street with the easterly side of Clinton Street;

RUNNING THENCE northerly and at right angles to the northerly side of Joralemon Street, 97 feet 4 $\frac{3}{4}$ inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 7 feet 8 inches;

THENCE northerly and parallel with the easterly side of Clinton Street, 15 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 37 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 15 feet 2 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 19 feet 3 3/8 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 87 feet 4 1/4 inches to the northerly side of Joralemon Street;

THENCE westerly along the northerly side of Joralemon Street, 65 feet 10 inches to the point or place of BEGINNING.

DESCRIPTION OF THE FACILITY PERSONALTY

The New Money Bond Financed Property as described in Exhibit B-2

Chiller

Boilers

Elevators

Pool filtration and lighting system on athletic complex

IT Software and Hardware

Hard/Soft Improvement/Replacement

SFC Banners

IT Infrastructure and Equipment

Security Surveillance System

Cooling Towers

Audio Visual Systems Upgrade

Pool and Main Gym HVAC System

IT Server Room Infrastructure

Escalator Rebuild

EXHIBIT B-2**DESCRIPTION OF THE NEW MONEY BOND FINANCED PROPERTY****St. Francis College | Series 2020 ABC | Tax-Exempt Projects**

Projects as of April 3, 2020

*Assumed
Dated Date* 06/01/2020**IT Projects**

Area / Title	Project Title	Total Project Costs	Debt Finance Eligible ⁽¹⁾	Implementation Date	Latest FY	Within 3 Years	Capitalize Through	Total
Security	Data Loss Prevention Platform	\$100,000.00	\$100,000.00	FY20	06/30/2020	0.08	06/30/2020	\$100,000.00
Support Services	Support Services Desktop Image Application (SCCM Replacement)	\$36,307.00	\$36,307.00	FY21	06/30/2021	1.08	06/30/2021	
Support Services	Support Services Suite Replacement(System Image, Patch, App Deployment, & Ticketing System)	\$65,367.00	\$65,367.00	FY21	06/30/2021	1.08	06/30/2021	
All IT	Integrations and services to support online learning (PHASE 1)	\$150,000.00	\$150,000.00	FY20(Q4) - FY21	06/30/2021	1.08	06/30/2021	
Colleague	Synoptix (Business Intelligence Reporting Software)	\$128,770.00	\$53,770.00	FY21	06/30/2021	1.08	06/30/2021	
Colleague	Digitize HR, Finance, Bursar for Docuware	\$200,000.00	\$200,000.00	FY21	06/30/2021	1.08	06/30/2021	
Marketing	Website Redesign and Hosting Implementation	\$271,500.00	\$271,500.00	FY20(Q4) - FY21	06/30/2021	1.08	06/30/2021	
All IT	Technology Costs Assis with Office Restructuring Neighborhoods	\$100,000.00	\$100,000.00	FY21	06/30/2021	1.08	06/30/2021	
IT / Library	Migrate Library Voyager Server to Alma (Cloud)	\$277,890.00	\$93,890.00	FY21	06/30/2021	1.08	06/30/2021	\$970,834.00
Datacenter	HP Server replacement (6 servers purchased over 2 years)	\$100,000.00	\$88,811.11	FY21 & FY22	06/30/2022	2.08	06/30/2022	
Telecomm	Hybrid VoIP telephone system / Unified Communications UcaaS	\$557,500.00	\$116,627.20	FY21 or FY22	06/30/2022	2.08	06/30/2022	
Support Services	Academic Computer Refresh Cycle - Lab PC Replacement Apple	\$176,548.00	\$163,746.25	FY21 - FY22	06/30/2022	2.08	06/30/2022	
Support Services	User Laptop Replacement	\$150,000.00	\$0.00	FY21 - FY22	06/30/2022	2.08	06/30/2022	
All IT	Failover Site Configuration and Implementation (Cold, Warm, Hot, DraaS)	\$254,000.00	\$148,400.00	FY21(Q3) / FY22	06/30/2022	2.08	06/30/2022	
Colleague	Ellucian Spend Management Suite (Invoice, Travel and Expense, Purchase)	\$287,250.00	\$137,250.00	FY21-FY22	06/30/2022	2.08	06/30/2022	

Colleague	Robust Housing/Dorm system – StarRez, ResLife	\$150,000.00	\$150,000.00	FY22	06/30/2022	2.08	06/30/2022	
Colleague	OneCard System	\$256,500.00	\$156,500.00	FY22	06/30/2022	2.08	06/30/2022	
Colleague	Workflow Form digitization	\$233,800.00	\$83,800.00	FY21/22	06/30/2022	2.08	06/30/2022	
IT / Marketing	Portal Migration	\$60,000.00	\$60,000.00	FY21(Q4) - FY22	06/30/2022	2.08	06/30/2022	\$1,105,134.56
Support Services	Academic Computer Refresh Cycle - Lab PC Replacement Dell	\$200,000.00	\$200,000.00	FY21 - FY23	06/30/2023	3.08	06/01/2023	
Support Services	User PC Replacement (Required Lease Payments)	\$550,000.00	\$550,000.00	FY21 - FY23	06/30/2023	3.08	06/01/2023	
Colleague	EAB PHASE 2	\$100,000.00	\$100,000.00	FY22-23	06/30/2023	3.08	06/01/2023	\$850,000.00
		\$4,405,432.00	\$3,025,968.56					

Infrastructure Projects

Area / Title	Project Title	Total Project Costs	Debt Finance Eligible ⁽¹⁾	Implementation Date	Latest FY	Within 3 Years	Capitalize Through	Total
Student Services	Remodel Space including Furniture and Fixtures	\$250,000.00	\$85,000.00	07/01/2020	06/30/2020	0.08	06/30/2020	
Athletics Offices	Office Conversions and Associated Equipment	\$50,000.00	\$20,000.00	06/01/2020	06/30/2020	0.08	06/30/2020	
Golf Simulator	Indoor Golf Simulator	\$80,000.00	\$50,000.00	06/01/2020	06/30/2020	0.08	06/30/2020	\$155,000.00
Student Space Upgrade	Refresh Student Lounge Space and Associated Fixtures	\$300,000.00	\$100,000.00	07/01/2021	06/30/2021	1.08	06/30/2021	
Classroom Furniture	Furniture and Fixtures	\$150,000.00	\$150,000.00	08/01/2021	06/30/2021	1.08	06/30/2021	
Library Reconfiguration	Upgrade Library including Furniture and Fixtures	\$200,000.00	\$75,000.00	08/01/2021	06/30/2021	1.08	06/30/2021	\$325,000.00
Office Consolidation	Consolidate Admin offices including Furniture and Fixtures	\$400,000.00	\$150,000.00	06/01/2022	06/30/2022	2.08	06/30/2022	
New Hire Office Package	New Office Spaces for New Hires including Furniture and Fixtures	\$250,000.00	\$100,000.00	06/01/2022	06/30/2022	2.08	06/30/2022	\$250,000.00
		\$1,680,000.00	\$730,000.00					

FORM OF FULLY REGISTERED SERIES 2020A BOND

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), IN RELIANCE UPON EXEMPTIONS PROVIDED BY THE SECURITIES ACT. NO RESALE OR OTHER TRANSFER OF THIS BOND MAY BE MADE UNLESS SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR “BLUE SKY” LAWS AND IN ACCORDANCE WITH THE INDENTURE OF TRUST REFERRED TO HEREIN. NEITHER THE ISSUER NOR THE TRUSTEE IS OBLIGATED TO REGISTER THIS BOND UNDER THE SECURITIES ACT OR ANY OTHER SECURITIES OR “BLUE SKY” LAW.

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

**BUILD NYC RESOURCE CORPORATION
REVENUE BOND
(ST. FRANCIS COLLEGE PROJECT), SERIES 2020A**

Bond Date:

Maturity Date: December 31, 2025

Registered Owner: Cede & Co.

Principal Amount:

Interest Rate: 5.00%

Bond Number: AR-

CUSIP: 12008EQR0

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 Holder 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 set forth above until the Issuer’s obligation with respect to the payment of such Principal Amount shall be discharged. Payment of interest shall be made on June 30 and December 31 in each year, commencing June 30, 2020 (or, if such day is not a Business Day, the immediately succeeding Business Day) (each, an “Interest Payment Date”). 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. Capitalized terms used but not defined in this bond shall have the respective meanings assigned to such terms in the Indenture of Trust hereinafter referred to.

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 Series 2020A 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.

If there shall occur, and for so long as there shall continue to exist, an Event of Default, the annual rate of interest on the Series 2020A Bonds shall be the Default Rate commencing with the date of the occurrence of the Event of Default and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Event of Default. Any former Bondholder or Beneficial Owner who was a Bondholder or Beneficial Owner of the Series 2020A Bonds commencing on or after the date of the occurrence of the Event of Default, but who subsequent to such date sold or otherwise disposed of its Series 2020A Bonds or whose Series 2020A Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement (as such terms are hereinafter defined) the following, in an amount allocable to such period during which it held the Series 2020A Bonds subsequent to the Event of Default and the date upon which the Series 2020A Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2020A Bonds prior to the Event of Default and the rate borne by the Series 2020A Bonds on and subsequent to such date.

If there shall occur a Determination of Taxability, the annual rate of interest on the Series 2020A Bonds shall be the Taxable Rate commencing with the date of the Event of Taxability and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the

Determination of Taxability. Any former Bondholder or Beneficial Owner who was a Bondholder or Beneficial Owner of Series 2020A Bonds commencing on or after the date of the occurrence of an Event of Taxability, but who subsequent to such date sold or otherwise disposed of its Series 2020A Bonds or whose Series 2020A Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Series 2020A Bonds subsequent to the Event of Taxability and the date upon which the Series 2020A Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2020A Bonds prior to the Event of Taxability and the rate borne by the Series 2020A Bonds on and subsequent to such date.

Method of Currency. The principal, Purchase Price or Redemption Price of, and interest on the Series 2020 Bonds (as defined below) 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, and the Purchase Price or the Redemption Price, if applicable, on all Series 2020 Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier purchase or redemption to the Persons in whose names such Series 2020 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 Series 2020 Bond either at final maturity or upon purchase or redemption in whole shall only be payable upon the presentation and surrender of such Series 2020 Bonds at the designated corporate trust office of U.S. Bank National Association 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 Series 2020A Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Series 2020A 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 Series 2020A Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Series 2020A 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. CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal of, redemption premium, if any, and interest, whether by check, draft or by wire transfer.

Interest on any Series 2020A 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 2020A Bond on the relevant Record Date and shall be payable to the owner in whose name such Series 2020A 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 (St. Francis College Project), Series 2020A” issued in the aggregate principal amount of \$17,540,000 (the “Series 2020A Bonds”), and is being issued concurrently with the “Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020B (Taxable)” issued in the aggregate principal amount of \$24,515,000 (the “Series 2020B Taxable Bonds”) (the Series 2020A Bonds, together with the Series 2020B Taxable Bonds, and, upon the redemption in whole of the Series 2020B Taxable Bonds with the issuance of the Series 2020C Bonds, the Series 2020C Bonds, collectively, the “Series 2020 Bonds”). The Series 2020 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 May 12, 2020 authorizing the issuance of the Series 2020 Bonds and under and pursuant to an Indenture of Trust, dated as of June 1, 2020 (as the same may be amended or supplemented, the “Indenture”), made and entered into by and between the Issuer and U.S. Bank National Association, 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 (i) the refunding and defeasance of the DASNY 2010 Bonds; (ii) the refunding and defeasance of the DASNY 2014 Bonds; (iii) the financing and refinancing of the New Money Bond Financed Property at the Facility, including classroom furniture, energy efficient upgrades and information technology and related items of personal property; (iv) the funding of the Debt Service Reserve Funds established under the Indenture; and (v) the payment of costs of issuance with respect to the Series 2020 Bonds, all in furtherance of the operation by the Institution (as hereinafter defined) at the Facility of a private, nonprofit, independent co-educational undergraduate college (collectively, the “Project”) on behalf of St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York (hereinafter together with any assignee of the Loan Agreement hereafter referred to, called the “Institution”). In order to finance a portion of the costs of the Project, the Issuer has made a loan to the Institution pursuant to a certain Loan Agreement, dated as of June 1, 2020, between the Issuer and the Institution (as the same may be amended or supplemented, the “Loan Agreement”). The Loan Agreement requires the payment by the Institution of loan payments sufficient to provide for the payment of the principal or Purchase Price or Redemption Price, if any, of, and interest on the Series 2020 Bonds as the same become due. The loan obligation of the Institution under the Loan Agreement with respect to the Series 2020A Bonds is further evidenced by the Institution’s execution and issuance of a Master Trust Note (Build NYC Resource Corporation – Series 2020A) in the principal amount of \$17,540,000, in favor of the Issuer and endorsed by the Issuer to the Trustee, and issued under the Master Trust Indenture, dated as of June 1, 2020 (as the same may be amended or supplemented, the “Master Trust Indenture”), between the Institution and UMB Bank, National Association, New York, New York, as Master Trustee (together with any successor thereto under the Master Trust Indenture, being referred to as the “Master Trustee”). Copies of the Indenture, the Loan Agreement, the Master Trust Indenture, the Master Trust Note (Build NYC Resource Corporation - Series 2020A), the other Master Trust Notes (Build NYC Resource Corporation) and the other Master Trust Documents 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 Series 2020 Bonds, the charging and collection of loan payments, the custody and application of the proceeds of the Series 2020 Bonds, the rights and remedies of the holders of the Series 2020 Bonds, and the rights, duties and obligations of the Issuer, the Institution, the Trustee, the Bondholder Representative and the Master Trustee.

Pledge and Security. Pursuant to the Indenture, the Issuer has assigned to the Trustee 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 Purchase Price or Redemption Price, if any, of, and interest and all other amounts due on the Series 2020 Bonds as the same become due, to be made by the Institution pursuant to the Loan Agreement. The Series 2020 Bonds are further secured by the Master Trust Notes (Build NYC Resource Corporation), including the Master Trust Note (Building NYC Resource Corporation – Series 2020A), which are in turn secured by the Master Trust Documents.

The Series 2020 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 Series 2020 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 Series 2020 Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Master Trustee, the Bondholder Representative, the Trustee and the holders of the Series 2020 Bonds, and the terms upon which the Series 2020 Bonds are issued and secured.

Additional Bonds. As provided in the Indenture, upon satisfying certain conditions including obtaining the consent of the Bondholder Representative (or, if no Bondholder Representative is in effect, the Majority Holders), 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.

Additional Master Trust Notes. As provided in the Master Trust Indenture and subject to the limitations set forth therein, the Institution may from time to time execute and issue additional Master Trust Notes which shall be entitled to the security of the Master Trust Indenture and the other Master Trust Documents, which shall rank equally and on a parity with the Master Trust Notes (Build NYC Resource Corporation), except as may be set forth in any Master Supplemental Indenture authorizing the issuance of such additional Master Trust Note.

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 Series 2020 Bonds. (A) General Optional Redemption. The Series 2020A Bonds shall be subject to redemption, on or after December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) 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 Prices (expressed as percentages of unpaid principal amount of the Series 2020A Bonds to be redeemed) set forth below, plus accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

(B) Extraordinary Redemption. The Series 2020 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 Redemption Date, 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, the Bondholder Representative 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, the Bondholder Representative 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 Series 2020 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, the Bondholder Representative 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 Redemption from Excess Proceeds and Certain Other Amounts. The Series 2020A 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 proceeds of the Series 2020A Bonds shall remain after the completion of the Project Work and the defeasance of the DASNY 2014 Bonds,

(ii) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Master Trust Indenture, the Loan Agreement and the 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 completion of the Project Work or related Project Costs,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2020A Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

(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 Series 2020 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 Bondholder Representative and the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2020 Bonds, together with interest accrued thereon to the Redemption Date.

(E) Mandatory Redemption Upon the Sale of All or Substantially All of the Facility. The Series 2020 Bonds are further subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event that the Institution shall no longer own all or substantially all of the Facility by reason of the sale or other disposition of the Facility, within sixty (60) days following such sale or other disposition, at a Redemption Price equal to one hundred percent of the principal amount thereof, together with accrued interest to the Redemption Date.

(F) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2020 Bonds shall be redeemed prior to maturity on any date within sixty (60) days after written notice directing such redemption is delivered by the Bondholder Representative to the Issuer, the Trustee and the Institution 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 at the Taxable Rate from the occurrence of the Event of Taxability to the Redemption Date. The Series 2020 Bonds shall be redeemed in whole unless redemption of a portion of the Tax-Exempt Bonds Outstanding would have the result that interest payable on the Tax-Exempt Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Tax-Exempt Bond. In such event, only the Tax-Exempt Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

(G) Purchase in Lieu of Redemption. In lieu of calling Series 2020A Bonds for redemption, the Series 2020A Bonds shall be subject to 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, at a purchase price to then be negotiated between the Institution and the Bondholder Representative (or, if no Bondholder Representative shall then be in effect, with the Holder(s) of the Series 2020A Bonds to be purchased), plus accrued interest to the purchase date. Purchases of Series 2020A Bonds may be made without regard to any provision of the Indenture relating to the selection of Series 2020A Bonds in a partial redemption. The Series 2020A Bonds so purchased shall be surrendered by the Institution to the Trustee for cancellation.

Redemption Procedures. If any of the Series 2020A Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days (or such shorter period as the Bondholder Representative may elect) prior to such Redemption Date to the registered owner of each Series 2020A Bond to be redeemed at the address shown on the registration books. All Series 2020A Bonds so called for redemption will cease to bear interest after the Redemption Date 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 Series 2020A 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 2020A 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 Series 2020A 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 Series 2020A 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 Series 2020A Bonds so called for redemption at the place or places of payment, such Series 2020A 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 (as defined in the Indenture) at any time by the Issuer with the consent of the Bondholder Representative (or, if no Bondholder Representative is then in effect, 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 Series 2020A Bonds are issuable in the form of fully registered bonds in Authorized Denomination.

Exchange of Series 2020A 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 Series 2020A Bonds of any of the Authorized Denominations of the same maturity and maturities and interest rate as this bond or the Series 2020A 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 Series 2020A 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 Series 2020A Bonds to be redeemed, or (ii) transfer or exchange any Series 2020A Bonds selected, called or being called for redemption in whole or in part.

Transfer of Series 2020A 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 Series 2020A 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 Institution, the Bondholder Representative, 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 Purchase Price or Redemption Price hereof, 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 Series 2020A Bond to the extent of the sum or sums so paid, and none of the Issuer, the Institution, the Bondholder Representative, the Bond Registrar, the Trustee or any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Series 2020A 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 Series 2020A 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 Series 2020A Bond certificate with respect to each date on which the Series 2020A 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 Series 2020A Bonds by the Securities Depository's Participants, beneficial ownership of the Series 2020A 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, redemption premium, if any, and interest on, this bond, (ii) notices, and (iii) voting. Transfer of principal, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2020A 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, 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.

Special Agreement by Holder. Each holder of this bond, by the purchase and acceptance of this bond, is deemed to have represented and agreed as follows:

(A) it acknowledges, understands and agrees to the exercise of all rights and remedies by the Bondholder Representative if any is in effect; and

(B) it understands that this bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer this bond, this bond may be offered, resold, pledged or transferred only in Authorized Dominations.

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 Series 2020 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. None of the members, directors, officers or agents of the Issuer or 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.

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: _____
Executive Director

(SEAL)

ATTEST:

Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2020A Bonds of the issue described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

(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 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]

FORM OF FULLY REGISTERED SERIES 2020B TAXABLE BOND

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), IN RELIANCE UPON EXEMPTIONS PROVIDED BY THE SECURITIES ACT. NO RESALE OR OTHER TRANSFER OF THIS BOND MAY BE MADE UNLESS SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR “BLUE SKY” LAWS AND IN ACCORDANCE WITH THE INDENTURE OF TRUST REFERRED TO HEREIN. NEITHER THE ISSUER NOR THE TRUSTEE IS OBLIGATED TO REGISTER THIS BOND UNDER THE SECURITIES ACT OR ANY OTHER SECURITIES OR “BLUE SKY” LAW.

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

BUILD NYC RESOURCE CORPORATION
REVENUE BOND
(ST. FRANCIS COLLEGE PROJECT), SERIES 2020B TAXABLE

Bond Date:

Maturity Date: December 31, 2025

Registered Owner: Cede & Co.

Principal Amount:

Interest Rate: 5.25%

Bond Number: BR-

CUSIP: 12008EQS8

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 Holder 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 set forth above until the Issuer’s obligation with respect to the payment of such Principal Amount shall be discharged. Payment of interest shall be made on June 30 and December 31 in each year, commencing June 30, 2020 (or, if such day is not a Business Day, the immediately succeeding Business Day) (each, an “Interest Payment Date”). 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. Capitalized terms used but not defined in this bond shall have the respective meanings assigned to such terms in the Indenture of Trust hereinafter referred to.

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 Series 2020B Taxable 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.

If there shall occur, and for so long as there shall continue to exist, an Event of Default, the annual rate of interest on the Series 2020B Taxable Bonds shall be the Default Rate commencing with the date of the occurrence of the Event of Default and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Event of Default. Any former Bondholder or Beneficial Owner who was a Bondholder or Beneficial Owner of the Series 2020B Taxable Bonds commencing on or after the date of the occurrence of the Event of Default, but who subsequent to such date sold or otherwise disposed of its Series 2020B Taxable Bonds or whose Series 2020B Taxable Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement (as such terms are hereinafter defined) the following, in an amount allocable to such period during which it held the Series 2020B Taxable Bonds subsequent to the Event of Default and the date upon which the Series 2020B Taxable Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2020B Taxable Bonds prior to the Event of Default and the rate borne by the Series 2020B Taxable Bonds on and subsequent to such date.

Method of Currency. The principal, Purchase Price or Redemption Price of, and interest on the Series 2020 Bonds (as defined below) 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, and the Purchase Price or the Redemption Price, if applicable, on all Series 2020 Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier purchase or redemption to the Persons in whose names such Series 2020 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 Series 2020 Bond either at final maturity or upon purchase or redemption in whole shall only be payable upon the presentation and surrender of such Series 2020 Bonds at the designated corporate trust office of U.S. Bank National Association 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 Series 2020B Taxable Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Series 2020B Taxable 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 Series 2020B Taxable Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Series 2020B Taxable 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. CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal of, redemption premium, if any, and interest, whether by check, draft or by wire transfer.

Interest on any Series 2020B Taxable 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 2020B Taxable Bond on the relevant Record Date and shall be payable to the owner in whose name such Series 2020B Taxable 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 (St. Francis College Project), Series 2020B (Taxable)” issued in the aggregate principal amount of \$24,515,000 (the “Series 2020B Taxable Bonds”), and is being issued concurrently with the “Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020A” issued in the aggregate principal amount of \$17,540,000 (the “Series 2020A Bonds”) (the Series 2020B Taxable Bonds, together with the Series 2020A Bonds, and, upon the redemption in whole of the Series 2020B Taxable Bonds with the issuance of the Series 2020C Bonds, the Series 2020C Bonds, collectively, the “Series 2020 Bonds”). The Series 2020 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 May 12, 2020 authorizing the issuance of the Series 2020 Bonds and under and pursuant to an Indenture of Trust, dated as of June 1, 2020 (as the same may be amended or supplemented, the “Indenture”), made and entered

into by and between the Issuer and U.S. Bank National Association, 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 (i) the refunding and defeasance of the DASNY 2010 Bonds; (ii) the refunding and defeasance of the DASNY 2014 Bonds; (iii) the financing and refinancing of the New Money Bond Financed Property at the Facility, including classroom furniture, energy efficient upgrades and information technology and related items of personal property; (iv) the funding of the Debt Service Reserve Funds established under the Indenture; and (v) the payment of costs of issuance with respect to the Series 2020 Bonds, all in furtherance of the operation by the Institution (as hereinafter defined) at the Facility of a private, nonprofit, independent co-educational undergraduate college (collectively, the “Project”) on behalf of St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York (hereinafter together with any assignee of the Loan Agreement hereafter referred to, called the “Institution”). In order to finance a portion of the costs of the Project, the Issuer has made a loan to the Institution pursuant to a certain Loan Agreement, dated as of June 1, 2020, between the Issuer and the Institution (as the same may be amended or supplemented, the “Loan Agreement”). The Loan Agreement requires the payment by the Institution of loan payments sufficient to provide for the payment of the principal or Purchase Price or Redemption Price, if any, of, and interest on the Series 2020 Bonds as the same become due. The loan obligation of the Institution under the Loan Agreement with respect to the Series 2020B Taxable Bonds is further evidenced by the Institution’s execution and issuance of a Master Trust Note (Build NYC Resource Corporation – Series 2020B) in the principal amount of \$24,515,000, in favor of the Issuer and endorsed by the Issuer to the Trustee, and issued under the Master Trust Indenture, dated as of June 1, 2020 (as the same may be amended or supplemented, the “Master Trust Indenture”), between the Institution and UMB Bank, National Association, New York, New York, as Master Trustee (together with any successor thereto under the Master Trust Indenture, being referred to as the “Master Trustee”). Copies of the Indenture, the Loan Agreement, the Master Trust Indenture, the Master Trust Note (Build NYC Resource Corporation - Series 2020B), the other Master Trust Notes (Build NYC Resource Corporation) and the other Master Trust Documents 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 Series 2020 Bonds, the charging and collection of loan payments, the custody and application of the proceeds of the Series 2020 Bonds, the rights and remedies of the holders of the Series 2020 Bonds, and the rights, duties and obligations of the Issuer, the Institution, the Trustee, the Bondholder Representative and the Master Trustee.

Pledge and Security. Pursuant to the Indenture, the Issuer has assigned to the Trustee 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 Purchase Price or Redemption Price, if any, of, and interest and all other amounts due on the Series 2020 Bonds as the same become due, to be made by the Institution pursuant to the Loan Agreement. The Series 2020 Bonds are further secured by the Master Trust Notes (Build NYC Resource Corporation), including the Master Trust Note (Building NYC Resource Corporation – Series 2020B/C), which are in turn secured by the Master Trust Documents.

The Series 2020 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 Series 2020 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 Series 2020 Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Master Trustee, the Bondholder Representative, the Trustee and the holders of the Series 2020 Bonds, and the terms upon which the Series 2020 Bonds are issued and secured.

Additional Bonds. As provided in the Indenture, upon satisfying certain conditions including obtaining the consent of the Bondholder Representative (or, if no Bondholder Representative is in effect, the Majority Holders), 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.

Additional Master Trust Notes. As provided in the Master Trust Indenture and subject to the limitations set forth therein, the Institution may from time to time execute and issue additional Master Trust Notes which shall be entitled to the security of the Master Trust Indenture and the other Master Trust Documents, which shall rank equally and on a parity with the Master Trust Notes (Build NYC Resource Corporation), except as may be set forth in any Master Supplemental Indenture authorizing the issuance of such additional Master Trust Note.

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 Series 2020 Bonds. (A) General Optional Redemption. The Series 2020B Taxable Bonds shall be subject to redemption, on or after December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) 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 Prices (expressed as percentages of unpaid principal amount of the Series 2020B Taxable Bonds to be redeemed) set forth below, plus accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

(B) Extraordinary Redemption. The Series 2020 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 Redemption Date, 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, the Bondholder Representative 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, the Bondholder Representative 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 Series 2020 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, the Bondholder Representative 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 Redemption from Excess Proceeds and Certain Other Amounts. The Series 2020B Taxable 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 proceeds of the Series 2020B Taxable Bonds shall remain after the defeasance of the DASNY 2010 Bonds,

(ii) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Master Trust Indenture, the Loan Agreement and the 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 Series 2020B Taxable Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

(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 Series 2020 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 Bondholder Representative and the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2020 Bonds, together with interest accrued thereon to the Redemption Date.

(E) Mandatory Redemption Upon the Sale of All or Substantially All of the Facility. The Series 2020 Bonds are further subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event that the Institution shall no longer own all or substantially all of the Facility by reason of the sale or other disposition of the Facility,

within sixty (60) days following such sale or other disposition, at a Redemption Price equal to one hundred percent of the principal amount thereof, together with accrued interest to the Redemption Date.

(F) Mandatory Redemption of the Series 2020B Taxable Bonds Upon the Exercise of the Series 2020C Bond Conversion Option. (i) The Series 2020B Taxable Bonds are subject to mandatory redemption in part in the principal amount of \$300,000 on the Business Day immediately preceding the Series 2020C Bond Conversion Date, at a Redemption Price equal to one hundred percent (100%) of the above-stated principal amount of the Series 2020B Taxable Bonds, together with accrued interest to the date of redemption.

(ii) The Series 2020B Taxable Bonds are subject to mandatory redemption in whole upon the issuance of the Series 2020C Bonds on the Series 2020C Bond Conversion Date and the payment of the accrued interest on the Series 2020B Taxable Bonds on the Redemption Date for the Series 2020B Taxable Bonds as provided in the Indenture. Upon the issuance of the Series 2020C Bonds on the Series 2020C Bond Conversion Date, and the payment of the accrued interest on the Series 2020B Taxable Bonds through but not including the Redemption Date, the payment of the Redemption Price of the Series 2020B Taxable Bonds shall be deemed made in full, the Series 2020B Taxable Bonds shall no longer be deemed Outstanding, and the Holders of the Series 2020B Taxable Bonds shall surrender the same to the Trustee for cancellation.

(G) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2020 Bonds shall be redeemed prior to maturity on any date within sixty (60) days after written notice directing such redemption is delivered by the Bondholder Representative to the Issuer, the Trustee and the Institution 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 at the Taxable Rate from the occurrence of the Event of Taxability to the Redemption Date. The Series 2020 Bonds shall be redeemed in whole unless redemption of a portion of the Tax-Exempt Bonds Outstanding would have the result that interest payable on the Tax-Exempt Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Tax-Exempt Bond. In such event, only the Tax-Exempt Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

(H) Purchase in Lieu of Redemption. In lieu of calling Series 2020B Taxable Bonds for redemption, the Series 2020B Taxable Bonds shall be subject to 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, at a purchase price to then be negotiated between the Institution and the Bondholder Representative (or, if no Bondholder Representative shall then be in effect, with the Holder(s) of the Series 2020B Taxable Bonds to be purchased), plus accrued interest to the purchase date. Purchases of Series 2020B Taxable Bonds may be made without regard to any provision of the Indenture relating to the selection of Series 2020B Taxable Bonds in a partial redemption. The Series 2020B Taxable Bonds so purchased shall be surrendered by the Institution to the Trustee for cancellation.

Redemption Procedures. If any of the Series 2020B Taxable Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days (or such shorter period as the Bondholder Representative may elect) prior to such Redemption Date (except that any redemption of the Series 2020B Taxable Bonds as provided above under “Mandatory Redemption of the Series 2020B Taxable Bonds Upon Issuance of the Series 2020C Bonds” shall be at twenty (20) days prior to the Redemption Date) to the registered owner of each Series 2020B Taxable Bond to be redeemed at the address shown on the registration books. All Series 2020B Taxable Bonds so called for redemption will cease to bear interest after the Redemption Date 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 Series 2020B Taxable 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 2020B Taxable 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 Series 2020B Taxable 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 Series 2020B Taxable 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 Series 2020B Taxable Bonds so called for redemption at the place or places of payment, such Series 2020B Taxable 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 (as defined in the Indenture) at any time by the Issuer with the consent of the Bondholder Representative or, if no Bondholder Representative is then in effect, 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 Series 2020B Taxable Bonds are issuable in the form of fully registered bonds in Authorized Denomination.

Exchange of Series 2020B Taxable 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 Series 2020B Taxable Bonds of any of the Authorized Denominations of the same maturity and maturities and interest rate as this bond or the Series 2020B Taxable 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 Series 2020B Taxable 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 Series 2020B Taxable Bonds to be redeemed, or (ii) transfer or exchange any Series 2020B Taxable Bonds selected, called or being called for redemption in whole or in part.

Transfer of Series 2020B Taxable 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 Series 2020B Taxable 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 Institution, the Bondholder Representative, 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 Purchase Price or Redemption Price hereof, 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 Series 2020B Taxable Bond to the extent of the sum or sums so paid, and none of the Issuer, the Institution, the Bondholder Representative, the Bond Registrar, the Trustee or any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Series 2020B Taxable 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 Series 2020B Taxable 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 Series 2020B Taxable Bond certificate with respect to each date on which the Series 2020B Taxable 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 Series 2020B Taxable Bonds by the Securities Depository's Participants, beneficial ownership of the Series 2020B Taxable 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, redemption premium, if any, and interest on, this bond, (ii) notices, and (iii) voting. Transfer of principal, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2020B Taxable 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, 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.

Special Agreement by Holder. Each holder of this bond, by the purchase and acceptance of this bond, is deemed to have represented and agreed as follows:

(A) it acknowledges, understands and agrees to the exercise of all rights and remedies by the Bondholder Representative if any is in effect; and

(B) it understands that this bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer this bond, this bond may be offered, resold, pledged or transferred only in Authorized Denominations.

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 Series 2020 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. None of the members, directors, officers or agents of the Issuer or 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.

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: _____
Executive Director

(SEAL)

ATTEST:

Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2020B Taxable Bonds of the issue described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

(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 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]

FORM OF FULLY REGISTERED SERIES 2020C BOND

THIS BOND HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), IN RELIANCE UPON EXEMPTIONS PROVIDED BY THE SECURITIES ACT. NO RESALE OR OTHER TRANSFER OF THIS BOND MAY BE MADE UNLESS SUCH TRANSFER IS MADE PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES OR “BLUE SKY” LAWS AND IN ACCORDANCE WITH THE INDENTURE OF TRUST REFERRED TO HEREIN. NEITHER THE ISSUER NOR THE TRUSTEE IS OBLIGATED TO REGISTER THIS BOND UNDER THE SECURITIES ACT OR ANY OTHER SECURITIES OR “BLUE SKY” LAW.

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

**BUILD NYC RESOURCE CORPORATION
REVENUE BOND
(ST. FRANCIS COLLEGE PROJECT), SERIES 2020C**

Bond Date:

Maturity Date: December 31, 2025

Registered Owner: Cede & Co.

Principal Amount:

Interest Rate:

Bond Number: CR-

CUSIP:

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 Holder 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 set forth above until the Issuer’s obligation with respect to the payment of such Principal Amount shall be discharged. Payment of interest shall be made on June 30 and December 31 in each year, commencing December 31, 2020 (or, if such day is not a Business Day, the immediately succeeding Business Day) (each, an “Interest Payment Date”). 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. Capitalized terms used but not defined in this bond shall have the respective meanings assigned to such terms in the Indenture of Trust hereinafter referred to.

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 Series 2020C 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.

If there shall occur, and for so long as there shall continue to exist, an Event of Default, the annual rate of interest on the Series 2020C Bonds shall be the Default Rate commencing with the date of the occurrence of the Event of Default and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Event of Default. Any former Bondholder or Beneficial Owner who was a Bondholder or Beneficial Owner of the Series 2020C Bonds commencing on or after the date of the occurrence of the Event of Default, but who subsequent to such date sold or otherwise disposed of its Series 2020C Bonds or whose Series 2020C Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement (as such terms are hereinafter defined) the following, in an amount allocable to such period during which it held the Series 2020C Bonds subsequent to the Event of Default and the date upon which the Series 2020C Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2020C Bonds prior to the Event of Default and the rate borne by the Series 2020C Bonds on and subsequent to such date.

If there shall occur a Determination of Taxability, the annual rate of interest on the Series 2020C Bonds shall be the Taxable Rate commencing with the date of the Event of Taxability and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the

Determination of Taxability. Any former Bondholder or Beneficial Owner who was a Bondholder or Beneficial Owner of Series 2020C Bonds commencing on or after the date of the occurrence of an Event of Taxability, but who subsequent to such date sold or otherwise disposed of its Series 2020C Bonds or whose Series 2020C Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Series 2020C Bonds subsequent to the Event of Taxability and the date upon which the Series 2020C Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2020C Bonds prior to the Event of Taxability and the rate borne by the Series 2020C Bonds on and subsequent to such date.

Method of Currency. The principal, Purchase Price or Redemption Price of, and interest on the Series 2020 Bonds (as defined below) 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, and the Purchase Price or the Redemption Price, if applicable, on all Series 2020 Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier purchase or redemption to the Persons in whose names such Series 2020 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 Series 2020 Bond either at final maturity or upon purchase or redemption in whole shall only be payable upon the presentation and surrender of such Series 2020 Bonds at the designated corporate trust office of U.S. Bank National Association 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 Series 2020C Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Series 2020C 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 Series 2020C Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Series 2020C 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. CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal of, redemption premium, if any, and interest, whether by check, draft or by wire transfer.

Interest on any Series 2020C 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 2020C Bond on the relevant Record Date and shall be payable to the owner in whose name such Series 2020C 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 (St. Francis College Project), Series 2020C” issued in the aggregate principal amount of \$_____ (the “Series 2020C Bonds”), and is being issued concurrently with the redemption of the “Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020B (Taxable)” issued in the aggregate principal amount of \$24,515,000 (the “Series 2020B Taxable Bonds”), and is secured on a parity with the “Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020A” issued in the original principal amount of \$17,540,000 (the “Series 2020A Bonds”, together with the Series 2020C Bonds, collectively, the “Series 2020 Bonds”). The Series 2020 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 May 12, 2020 authorizing the issuance of the Series 2020 Bonds and under and pursuant to an Indenture of Trust, dated as of June 1, 2020 (as the same may be amended or supplemented, the “Indenture”), made and entered into by and between the Issuer and U.S. Bank National Association, as trustee (said bank and any successor thereto under the Indenture being referred to herein as the “Trustee”), all for the purpose of financing the a portion of the cost of (i) the refunding and defeasance of the DASNY 2010 Bonds; (ii) the refunding and defeasance of the DASNY 2014 Bonds; (iii) the financing and refinancing of the New Money Bond Financed Property at the Facility, including classroom furniture, energy efficient upgrades and information technology and related items of personal property; (iv) the funding of the Debt Service Reserve Funds established under the Indenture; and (v) the payment of costs of issuance with respect to the Series 2020B Bonds and the Series 2020 Bonds, all in furtherance of the operation by the Institution (as hereinafter defined) at the Facility of a private, nonprofit, independent co-educational undergraduate college (collectively, the “Project”) on behalf of St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York (hereinafter together with any assignee of the Loan Agreement hereafter referred to, called the “Institution”). In order to finance a portion of the costs of the Project, the Issuer has made a loan to the Institution pursuant to a certain Loan Agreement, dated as of June 1, 2020, between the Issuer and the Institution (as the same may be amended or supplemented, the “Loan Agreement”). The Loan Agreement requires the payment by the Institution of loan payments sufficient to provide for the payment of the principal or Purchase Price or Redemption Price, if any, of, and interest on the Series 2020 Bonds as the same become due. The loan obligation of the Institution under the Loan Agreement with respect to the Series 2020C Bonds is further evidenced by the Institution’s execution and issuance of a Master Trust Note (Build NYC Resource Corporation – Series 2020B/C) in the principal amount of \$_____, in favor of the Issuer and endorsed by the Issuer to the Trustee, and issued under the Master Trust Indenture, dated as of June 1, 2020 (as the same may be amended or supplemented, the “Master Trust Indenture”), between the Institution and UMB Bank, National Association, New York, New York, as Master Trustee (together with any successor thereto under the Master Trust Indenture, being referred to as the “Master Trustee”). Copies of the Indenture, the Loan Agreement, the Master Trust Indenture, the Master Trust Note (Build NYC Resource Corporation - Series 2020C), the other Master Trust Notes (Build NYC Resource Corporation) and the other

Master Trust Documents 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 Series 2020 Bonds, the charging and collection of loan payments, the custody and application of the proceeds of the Series 2020 Bonds, the rights and remedies of the holders of the Series 2020 Bonds, and the rights, duties and obligations of the Issuer, the Institution, the Trustee, the Bondholder Representative and the Master Trustee.

Pledge and Security. Pursuant to the Indenture, the Issuer has assigned to the Trustee 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 Purchase Price or Redemption Price, if any, of, and interest and all other amounts due on the Series 2020 Bonds as the same become due, to be made by the Institution pursuant to the Loan Agreement. The Series 2020 Bonds are further secured by the Master Trust Notes (Build NYC Resource Corporation), including the Master Trust Note (Building NYC Resource Corporation – Series 2020B/C), which are in turn secured by the Master Trust Documents.

The Series 2020 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 Series 2020 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 Series 2020 Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Master Trustee, the Bondholder Representative, the Trustee and the holders of the Series 2020 Bonds, and the terms upon which the Series 2020 Bonds are issued and secured.

Additional Bonds. As provided in the Indenture, upon satisfying certain conditions including obtaining the consent of the Bondholder Representative (or, if no Bondholder Representative is in effect, the Majority Holders), 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.

Additional Master Trust Notes. As provided in the Master Trust Indenture and subject to the limitations set forth therein, the Institution may from time to time execute and issue additional Master Trust Notes which shall be entitled to the security of the Master Trust Indenture and the other Master Trust Documents, which shall rank equally and on a parity with the Master Trust Notes (Build NYC Resource Corporation), except as may be set forth in any Master Supplemental Indenture authorizing the issuance of such additional Master Trust Note.

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 Series 2020 Bonds. (A) General Optional Redemption. The Series 2020C Bonds shall be subject to redemption, on or after December 31, 2020, in whole or in part at any time (but if in part in integral multiples of \$5,000 and in the minimum principal amount of \$100,000) 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 Prices (expressed as percentages of unpaid principal amount of the Series 2020C Bonds to be redeemed) set forth below, plus accrued interest to the Redemption Date:

<u>Redemption Dates</u> <u>(both dates inclusive)</u>	<u>Redemption Prices</u>
December 31, 2020 through December 30, 2022	100%
December 31, 2022 through December 30, 2024	102
December 31, 2024 and thereafter	103

(B) Extraordinary Redemption. The Series 2020 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 Redemption Date, 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, the Bondholder Representative 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, the Bondholder Representative 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 Series 2020 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, the Bondholder Representative 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 Redemption from Excess Proceeds and Certain Other Amounts. The Series 2020C 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 title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Master Trust Indenture, the Loan Agreement and the Indenture,

(ii) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(iii) 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 completion of the Project Work or related Project Costs,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2020C Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

(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 Series 2020 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 Bondholder Representative and the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2020 Bonds, together with interest accrued thereon to the Redemption Date.

(E) Mandatory Redemption Upon the Sale of All or Substantially All of the Facility. The Series 2020 Bonds are further subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event that the Institution shall no longer own all or substantially all of the Facility by reason of the sale or other disposition of the Facility, within sixty (60) days following such sale or other disposition, at a Redemption Price equal to one hundred percent of the principal amount thereof, together with accrued interest to the Redemption Date.

(F) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2020 Bonds shall be redeemed prior to maturity on any date within sixty (60) days after written notice directing such redemption is delivered by the Bondholder Representative to the Issuer, the Trustee and the Institution 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 at the Taxable Rate from the occurrence of the Event of Taxability to the Redemption Date. The Series 2020 Bonds shall be redeemed in whole unless redemption of a portion of the Tax-Exempt Bonds Outstanding would have the result that interest payable on the Tax-Exempt Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Tax-Exempt Bond. In such event, only the Tax-Exempt Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

(G) Purchase in Lieu of Redemption. In lieu of calling Series 2020C Bonds for redemption, the Series 2020C Bonds shall be subject to 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, at a purchase price to then be negotiated between the Institution and the Bondholder Representative (or, if no Bondholder Representative shall then be in effect, with the Holder(s) of the Series 2020C Bonds to be purchased), plus accrued interest to the purchase date. Purchases of Series 2020C Bonds may be made without regard to any provision of the Indenture relating to the selection of Series 2020C Bonds in a partial redemption. The Series 2020C Bonds so purchased shall be surrendered by the Institution to the Trustee for cancellation.

Redemption Procedures. If any of the Series 2020C Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days (or such shorter period as the Bondholder Representative may elect) prior to such Redemption Date to the registered owner of each Series 2020C Bond to be redeemed at the address shown on the registration books. All Series 2020C Bonds so called for redemption will cease to bear interest after the Redemption Date 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 Series 2020C 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 2020C 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 Series 2020C 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 Series 2020C 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 Series 2020C Bonds so called for redemption at the place or places of payment, such Series 2020C 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 (as defined in the Indenture) at any time by the Issuer with the consent of the Bondholder Representative (or, if no Bondholder Representative is then in effect, 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 Series 2020C Bonds are issuable in the form of fully registered bonds in Authorized Denomination.

Exchange of Series 2020C 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 Series 2020C Bonds of any of the Authorized Denominations of the same maturity and maturities and interest rate as this bond or the Series 2020C 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 Series 2020C 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 Series 2020C Bonds to be redeemed, or (ii) transfer or exchange any Series 2020C Bonds selected, called or being called for redemption in whole or in part.

Transfer of Series 2020C 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 Series 2020C 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 Institution, the Bondholder Representative, 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 Purchase Price or Redemption Price hereof, 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 Series 2020C Bond to the extent of the sum or sums so paid, and none of the Issuer, the Institution, the Bondholder Representative, the Bond Registrar, the Trustee or any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Series 2020C 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 Series 2020C 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 Series 2020C Bond certificate with respect to each date on which the Series 2020C 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 Series 2020C Bonds by the Securities Depository's Participants, beneficial ownership of the Series 2020C 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, redemption premium, if any, and interest on, this bond, (ii) notices, and (iii) voting. Transfer of principal, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to Beneficial Owners of the Series 2020C 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, 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.

Special Agreement by Holder. Each holder of this bond, by the purchase and acceptance of this bond, is deemed to have represented and agreed as follows:

(A) it acknowledges, understands and agrees to the exercise of all rights and remedies by the Bondholder Representative if any is in effect; and

(B) it understands that this bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer this bond, this bond may be offered, resold, pledged or transferred only in Authorized Dominations.

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 Series 2020 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. None of the members, directors, officers or agents of the Issuer or 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.

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: _____
Executive Director

(SEAL)

ATTEST:

Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2020C Bonds of the issue described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: _____

(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 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]

Form of Requisition from the Project Fund

REQUISITION NO.

TO: U.S. Bank National Association, as Trustee

FROM: St. Francis College

Ladies and Gentlemen:

You are requested to draw from the Project Fund, established by Section 5.01 of the Indenture of Trust, dated as of June 1, 2020 (the “Indenture”), between Build NYC Resource Corporation (the “Issuer”) and yourself, a check or checks or wire transfer, as applicable, 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 St. Francis College (the “Institution”);
- (ii) the number of this Requisition is ____;
- (iii) 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;
- (iv) none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Project Fund;
- (v) 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;
- (vi) each such item stated in Schedule A attached hereto is a proper charge against the Project Fund;
- (vii) 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;
- (viii) each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Regulatory Agreement;

(ix) 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;

(x) no portion of the proceeds of the Series 2020 Bonds will be applied to reimburse the Institution for Project Costs paid more than sixty (60) days prior to December 11, 2019, the date the Institution adopted its 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 Series 2020 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 Series 2020 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 Series 2020 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 Series 2020A Bonds, unless such cost is attributable to a preliminary expenditure, as described above;

(xi) 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;

(xii) 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;

(xiii) 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 Series 2020A Bonds or of the Series 2020B Taxable Bonds (exclusive of costs of issuance of the Series 2020A Bonds or of the Series 2020B Taxable 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;

(xiv) 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

(xv) 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: _____

ST. FRANCIS COLLEGE

By: _____
Authorized Representative

Approved as of _____ by

HAMLIN CAPITAL MANAGEMENT, LLC,
as Bondholder Representative

By: _____
Name:
Title:

SCHEDULE A TO REQUISITION NO. _____

Amount

Payee (with address or wire information)

Purpose

Receipt is hereby acknowledged of a payment in the amount of \$_____ in connection with the submission of the attached Requisition.

ST. FRANCIS COLLEGE

By: _____
Authorized Representative

Date: _____

EXHIBIT E

[Certificate of Bondholder Representative]*

_____, 2020

Build NYC Resource Corporation
New York, New York

U.S. Bank National Association, as Trustee
New York, New York

St. Francis College
Brooklyn, New York

Re: Build NYC Resource Corporation
\$_____ Revenue Bonds
(St. Francis College Project), Series 2020C

Ladies and Gentlemen:

The undersigned, an officer of Hamlin Capital Management, LLC (the “Bondholder Representative”), does hereby represent and agree as follows (capitalized terms used in this letter shall have the meanings assigned to such terms by the Indenture of Trust, dated as of June 1, 2020, between Build NYC Resource Corporation and U.S. Bank National Association, as Trustee):

(a) The Bondholder Representative is registered with the Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940 and is the duly appointed representative of (i) the beneficial owners of the Series 2020B Taxable Bonds Outstanding and (ii) the Series 2020C Bond Initial Beneficial Owners. Each such Person has executed an Investment Advisory Agreement with the Bondholder Representative or is a limited partner in a limited partnership managed by the Bondholder Representative.

(b) The principal place of business of the Bondholder Representative, and the office location for those representatives of the Bondholder Representative making the decision for the Series 2020C Bond Initial Beneficial Owners to acquire the Series 2020C Bonds, is in the City.

(c) The Bondholder Representative (i) is not recommending any action to the Issuer or the Institution, (ii) is not acting as an advisor to the Issuer or the Institution and does not owe either the Issuer or the Institution a fiduciary duty pursuant to Section 15B of the Securities and Exchange Act of 1934, as amended, with respect to the information and material contained in this certificate or the documents relating to the Series 2020C Bonds, and (iii) is acting for its own interests and for those of the beneficial owners of the Series 2020B Taxable Bonds and the

* Subject to modification in the event that, on the Series 2020C Bond Conversion Date, (i) the Bondholder Representative is not the duly appointed representative of 100% of the beneficial owners of the Series 2020B Taxable Bonds, and/or (ii) the Bondholder Representative is not the duly appointed representative of 100% of the Series 2020C Bond Initial Beneficial Owners, but in each case, the Bondholder Representative must be the duly appointed representative of at least a majority in aggregate principal amount Outstanding of (y) the beneficial owners of the Series 2020B Taxable Bonds, and (z) the Series 2020C Bond Initial Beneficial Owners.

Series 2020C Bond Initial Beneficial Owners. The Issuer and the Institution should discuss any information and material contained in this certificate or the documents relating to the Series 2020C Bonds with any and all internal or external advisors and experts that either such entity deems appropriate before acting on this information or material.

(d) The Bondholder Representative has exercised its delegated authority for each Series 2020C Bond Initial Beneficial Owner to acquire the Series 2020C Bonds. Such decision to acquire the Series 2020C Bonds has been made by the Bondholder Representative and not by any individual Series 2020C Bond Initial Beneficial Owner. Each Series 2020C Bond so acquired will be held in a managed account of such Series 2020C Bond Initial Beneficial Owner or a commingled investment vehicle managed by the Bondholder Representative.

(e) Each Series 2020C Bond Initial Beneficial Owner has been or will be informed by the Bondholder Representative that the Series 2020C Bonds are not general obligations of the Issuer, but are special, limited obligations payable and secured solely as provided for in the Project Documents.

(f) Each Series 2020C Bond Initial Beneficial Owner has retained the Bondholder Representative to advise and represent such Series 2020C Bond Purchaser regarding the purchase of securities, such as the Series 2020C Bonds. Each such Series 2020C Bond Initial Beneficial Owner has the ability to bear the economic risks of an investment in the Series 2020C Bonds and is an “accredited investor” as that term is defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”) or a “qualified institutional buyer” as that term is defined under Rule 144A of the Securities and Exchange Commission.

(g) The Issuer has not undertaken and will not undertake steps to ascertain the accuracy or completeness of the information furnished to the Bondholder Representative or any Series 2020C Bond Initial Beneficial Owner with respect to the Institution, the Series 2020C Bonds, the Project, the Facility or any of the Project Documents. Neither the Bondholder Representative nor any Series 2020C Bond Initial Beneficial Owner has relied or will rely upon the Issuer or its officers, members, directors, employees, servants or agents in any way with regard to (i) the accuracy or completeness of the information furnished to the Bondholder Representative or any Series 2020C Bond Initial Beneficial Owner in connection with the acquisition by any such Series 2020C Bond Initial Beneficial Owner of the Series 2020C Bonds, nor have the Issuer or any of its officers, members, directors, employees, servants or agents made any representation to the Bondholder Representative or any Series 2020C Bond Initial Beneficial Owner with respect to that information, (ii) the financial condition of the Institution, or the creditworthiness of the Institution, or of the competency or integrity of the management of the Institution, or of the suitability of the Facility for the business of the Institution, or (iii) the determination of the Issuer to issue the Series 2020C Bonds for any purpose.

(h) The Bondholder Representative is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Series 2020C Bonds by the Series 2020C Bond Initial Beneficial Owner, and it is capable of and has made its own investigation of the

Institution, the Facility, the Project and the Project Documents in connection with its decision for the Series 2020C Bond Initial Beneficial Owners to acquire the Series 2020C Bonds.

(i) The Series 2020C Bonds are being acquired by every Series 2020C Bond Initial Beneficial Owner for the purpose of investment, and not in the capacity of a broker, dealer, municipal securities underwriter, municipal advisor, fiduciary, bond house or other intermediary, and each such Series 2020C Bond Initial Beneficial Owner intends to hold the Series 2020C Bonds for its own account as a long-term investment, without a current view to any distribution or sale of the Series 2020C Bonds. Each such Series 2020C Bond Initial Beneficial Owner has been or will be informed by the Bondholder Representative that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible and the Issuer has made no representations about whether a secondary market will ever develop or be available with respect to the Series 2020C Bonds.

(j) Each such Series 2020C Bond Initial Beneficial Owner has been or will be informed by the Bondholder Representative that the Series 2020C Bonds will not be rated by any credit rating agency, nor listed on any stock or other securities exchange and were issued without registration under the provisions of the Securities Act, or any state securities laws, and the Series 2020C Bonds may not be resold, transferred, pledged or hypothecated, in whole or in part, unless they are registered under the Securities Act and applicable state securities laws or unless an exemption from registration is available. Each such Series 2020C Bond Initial Beneficial Owner has been or will be informed by the Bondholder Representative that the Series 2020C Bonds may be transferred only in Authorized Denominations and in accordance with the requirements as set forth in the Indenture.

(k) In the event that the Bondholder Representative no longer represents a Series 2020C Bond Initial Beneficial Owner by virtue of the termination of the Investment Advisory Agreement between the Bondholder Representative and such Series 2020C Bond Initial Beneficial Owner, or the withdrawal from the limited partnership managed by the Bondholder Representative, whether such termination is effected by such Series 2020C Bond Initial Beneficial Owner or the Bondholder Representative, the Bondholder Representative (i) shall exercise its rights under the Investment Advisory Agreement or limited partnership agreement to liquidate any Series 2020C Bonds held in such Series 2020C Bond Initial Beneficial Owner's portfolio which are in an aggregate principal amount less than \$250,000 and (ii) may exercise its rights under the Investment Advisory Agreement or limited partnership agreement to liquidate any Series 2020C Bonds held in such Series 2020C Bond Initial Beneficial Owner's portfolio which are in an aggregate principal amount equal to or greater than \$250,000, in each case for sale or transfer to or placement with such other clients of the Bondholder Representative as the Bondholder Representative may determine, which clients shall constitute a new Series 2020C Bond Initial Beneficial Owner and be as described in this certificate. Notwithstanding any provision to the contrary in this certificate, such Series 2020C Bonds may also be sold or transferred to or placed with any person not represented by the Bondholder Representative but only in Authorized Denominations and otherwise in accordance with the provisions as set forth in the Indenture.

(l) The Bondholder Representative has received a Limited Offering Memorandum prepared by the Institution in connection with the limited public offering by the

Underwriter of the Series 2020 Bonds and hereby represents that the information contained therein, along with all other additional information supplied by the Institution directly to the Bondholder Representative, is sufficient for the Bondholder Representative to decide for the Series 2020C Bond Initial Beneficial Owners to acquire the Series 2020C Bonds.

(m) Each Series 2020C Bond Initial Beneficial Owner has been or will be informed by the Bondholder Representative that

(i) the Issuer does not in any way represent that the insurance required by the Loan Agreement, whether in scope or coverage or limits of coverage, is adequate or sufficient to protect the business or interests of the Institution; and

(ii) the Series 2020C Bonds being purchased shall be a special limited revenue obligation of the Issuer, payable solely from the Trust Estate and that the only payments intended to be exempt from federal, State or local taxes shall be the interest payments due under the Series 2020C Bonds; the Series 2020C Bonds shall never constitute a debt of the State nor of the City, and neither the State nor the City shall be liable on the Series 2020C Bonds; the Issuer has no power of taxation; neither the members, directors, officers, employees, servants or agents of the Issuer nor any person executing the Series 2020C Bonds shall be liable personally or be subject to any personal liability or accountability by reason of or in connection with the issuance of the Series 2020C Bonds; and the Issuer makes no representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of 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 Series 2020 Bonds will be sufficient to pay the cost of the Project.

HAMLIN CAPITAL MANAGEMENT, LLC,
as Bondholder Representative

By: _____

Name:

Title:

[U.S Bank National Association Letterhead]

FIRST NOTICE OF EXCHANGE

_____, 2020

Via Electronic Mail

(mandatoryreorgannouncements@dtcc.com)

(legalandtaxnotices@dtcc.com)

The Depository Trust Company

Re: \$24,515,000 in original principal amount of Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020B (Taxable)

This First Notice of Exchange is given by U.S. Bank National Association, as trustee (the “Trustee”) for the \$24,515,000 in principal amount of the Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) (the “Series 2020B Taxable Bonds”), previously issued on June 22, 2020, to be outstanding on the Effective Date (as defined below) in the amount of \$_____, and maturing on December 31, 2025.

The Trustee hereby notifies The Depository Trust Company that Hamlin Capital Management, LLC (the “Bondholder Representative”) will consent, on behalf of the holders of the Series 2020B Taxable Bonds, to the exchange of the Series 2020B Taxable Bonds for the new Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020C in the original principal amount of \$_____, and maturing on December 31, 2025 (the “Series 2020C Bonds”) to be issued by the Build NYC Resource Corporation (the “Issuer”) in accordance with the provisions of the Indenture of Trust, dated as of June 1, 2020, between the Issuer and the Trustee. The Series 2020C Bonds will be issued Book Entry.

The exchange will occur on or about July __, 2020 (the “Effective Date”), on the following terms:

Series 2020B CUSIP:	Series 2020B Interest Rate:	Series 2020C CUSIP:	Series 2020C Interest Rate:	Ratio:
12008EQS8	5.25%	_____	TO COME	1:1

On the Effective Date, please exchange the Series 2020B Taxable Bonds in accordance with the table above. A *Final Notice of Exchange with the interest rate for the Series 2020C Bonds will be sent on the Effective Date.*

THE SERIES 2020C BONDS WILL BE ISSUED IN DENOMINATIONS OF \$100,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF.

If you have any questions, please do not hesitate to contact the undersigned at (____) ____-____. My contact information is as follows:

[INSERT TRUSTEE CONTACT]

By: U.S. Bank National Association, as Trustee

[U.S Bank National Association Letterhead]

FINAL NOTICE OF EXCHANGE

_____, 2020

Via Electronic Mail

(mandatoryreorgannouncements@dtcc.com)

(legalandtaxnotices@dtcc.com)

The Depository Trust Company

Re: \$24,515,000 in original principal amount of Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020B (Taxable)

This Final Notice of Exchange is given by U.S. Bank National Association, as trustee (the “Trustee”) for the \$_____ in principal amount of the Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) (the “Series 2020B Taxable Bonds”), previously issued on June 22, 2020, to be outstanding on the Effective Date (as defined below) in the amount of \$_____, and maturing on December 31, 2025.

The Trustee hereby notifies The Depository Trust Company that Hamlin Capital Management, LLC (the “Bondholder Representative”) will consent, on behalf of the holders of the Series 2020B Taxable Bonds, to the exchange of the Series 2020B Taxable Bonds for the new Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020C in the original principal amount of \$_____, and maturing on December 31, 2025 (the “Series 2020C Bonds”) to be issued by the Build NYC Resource Corporation (the “Issuer”) in accordance with the provisions of the Indenture of Trust, dated as of June 1, 2020, between the Issuer and the Trustee. The Series 2020C Bonds will be issued Book Entry.

The exchange will occur on or about July __, 2020 (the “Effective Date”), on the following terms:

Series 2020B CUSIP:	Series 2020B Interest Rate:	Series 2020C CUSIP:	Series 2020C Interest Rate:	Ratio:
12008EQS8	5 1/4%	_____	_____%	1:1

On the Effective Date, please exchange the Series 2020B Taxable Bonds in accordance with the table above.

THE SERIES 2020C BONDS WILL BE ISSUED IN DENOMINATIONS OF \$100,000 AND INTEGRAL MULTIPLES OF \$1,000 IN EXCESS THEREOF.

If you have any questions, please do not hesitate to contact the undersigned at (____) ____-____. My contact information is as follows:

[INSERT TRUSTEE CONTACT]

By: U.S. Bank National Association, as Trustee

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FORM OF MASTER TRUST INDENTURE

MASTER TRUST INDENTURE

by and among

ST. FRANCIS COLLEGE

as the Obligated Group Representative and an Obligated Group Member

and

**SUCH OTHER PERSONS AS MAY BECOME
OBLIGATED GROUP MEMBERS HEREUNDER**

and

UMB BANK, NATIONAL ASSOCIATION,
as Master Trustee

Dated as of June 1, 2020

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MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE, dated as of June 1, 2020 (the “Master Trust Indenture”), between **ST. FRANCIS COLLEGE** (the initial “Obligated Group Member”), a not-for-profit education corporation organized and existing under the laws of the State of New York, and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers in the State of New York, as master trustee (the “Master Trustee”).

WITNESSETH:

WHEREAS, the Obligated Group Member identified above (the “Initial Obligated Group”) is authorized by law to issue, and has deemed it necessary and desirable that the Initial Obligated Group and any other Obligated Group Member enter into this Master Trust Indenture for the purpose of providing for the issuance from time to time by the Obligated Group Members of Obligations (as defined herein) to finance or refinance the acquisition or betterment of educational facilities or other facilities, or for other lawful and proper purposes of the Initial Obligated Group and their Affiliates; and

WHEREAS, all acts and things necessary to constitute this Master Trust Indenture a valid indenture and agreement according to its terms have been done and performed, the Initial Obligated Group has duly authorized the execution and delivery of this Master Trust Indenture, and the Initial Obligated Group, in the exercise of the legal right and power invested in it, executes this Master Trust Indenture and proposes to make, execute, issue and deliver Obligations hereunder; and

WHEREAS, the Master Trustee agrees to accept and administer the trusts created hereby.

GRANTING CLAUSES

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH, that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Obligations (hereinafter defined) and the performance of the covenants therein and herein contained and to declare the terms and conditions on which the Outstanding Obligations are secured, and in consideration of the premises, of the purchase of the Obligations by the Holders thereof, and of the sum of One Dollar (\$1.00) to the Obligated Group Members in hand paid by the Master Trustee at or before the execution and delivery hereof, the receipt and sufficiency of which are hereby acknowledged, the Obligated Group Members by these presents do hereby pledge, set over, and confirm to the Master Trustee, forever, all and singular the following described properties, and grant a security interest therein for the purposes herein expressed, to wit:

GRANTING CLAUSE FIRST

All revenue, accounts receivable, and Revenues (as defined herein) of the Obligated Group Members, including without limitation rights to receive tuition payments, but except and excluding all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by the Obligated Group Members, or hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, pledged, and assigned by the Obligated Group Members, provided that the Obligated Group Members may subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property; and

GRANTING CLAUSE SECOND

The land described on **Exhibit A** hereto (the "Premises") and incorporated herein for all purposes, including, without limitation, all buildings, structures, fixtures, additions, enlargements, extensions, improvements, modifications or repairs now or hereafter located thereon or therein and with the tenements, hereditaments, servitudes, appurtenances, rights, privileges and immunities thereunto belonging or appertaining which may from time to time be owned by the Obligated Group Members, and all claims or expectancy, of, in and to the Premises, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or is hereafter acquired by the Obligated Group Members, and is affixed or attached or annexed to the Premises, shall be and remain or become and constitute a portion of the Premises, and the security covered by and subject to the lien of this Master Trust Indenture and the Related Mortgage; and

GRANTING CLAUSE THIRD

All of the rights, titles, interests and estates, now owned or hereafter acquired by the Obligated Group Members in and to any and all accounts, chattel paper, goods, documents, instruments, general intangibles, deposit accounts, investment property, equipment, inventory, fixtures, and any and all other personal property of any kind or character defined in and subject to the provisions of the New York Uniform Commercial Code, including the supporting obligations thereof, proceeds and products of and from any and all of such personal property used in connection with or arising out of the operation and use of the improvements located on the Premises and any substitutions or replacements therefor, but except and excluding all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by the Obligated Group Members, or which cannot be granted, pledged, or assigned hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, pledged, and assigned by the Obligated Group Members, provided that the Obligated Group Members may hereafter subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property; and

GRANTING CLAUSE FOURTH

Any amounts on deposit from time to time in any fund or account created hereunder, subject to the provisions of this Master Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

GRANTING CLAUSE FIFTH

Any and all property that may, from time to time hereinafter, by delivery or by writing of any kind, be subjected to the lien and security interest hereof by the Obligated Group Members or by anyone on their behalf (and the Master Trustee is hereby authorized to receive the same at any time as additional security hereunder), which subject to the lien and security interest hereof of any such property as additional security may be made subject to any reservations, limitations, or conditions which shall be set forth in a written instrument executed by the grantor or the person so acting on its behalf or by the Master Trustee respecting the use and disposition of such property or the proceeds thereof;

TO HAVE AND TO HOLD, IN TRUST, all said properties, rights, privileges, leaseholds and franchises of every kind and description, real, personal, or mixed, hereby and hereafter (by supplemental instrument or otherwise) pledged, set over, or confirmed as aforesaid, or intended, agreed, or covenanted so to be, together with all the appurtenances thereto appertaining (said properties, rights, privileges,

leaseholds, and franchises including any cash and securities hereafter deposited or required to be deposited with the Master Trustee (other than any such cash which is specifically stated herein not to be deemed part of the Trust Estate) being herein collectively referred to as the "Trust Estate") unto the Master Trustee and its successors and assigns forever;

SUBJECT AND SUBORDINATE, HOWEVER, to the Liens (as defined herein) described in **Exhibit B** hereto and to any and all mortgages, liens, charges, encumbrances, pledges, and security interests granted, created, assumed, incurred, or existing pursuant to the provisions of Section 4.19 hereof and all revenue, accounts receivable, and Revenues and proceeds derived from such property;

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Obligations without any priority of any such Obligations over any other such Obligations except as herein or by Supplement otherwise expressly provided;

UPON CONDITION that, if the Obligated Group Members or their successors or assigns shall well and truly pay, or cause to be paid, the principal of (and premium, if any) and interest on the Outstanding Obligations according to the true intent and meaning thereof, or there shall be deposited with the Master Trustee such amounts in such form in order that none of the Obligations shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon the full and final payment of all such sums and amounts secured hereby or upon such deposit, the rights, titles, liens, security interests, and assignments herein granted shall cease, determine, and be void and this grant shall be released by the Master Trustee in due form at the expense of the Obligated Group Members, except only as herein provided; otherwise this grant to be and shall remain in full force and effect;

UPON FURTHER CONDITION as to any property included in the Trust Estate that, upon Request of the Obligated Group Representative accompanied by an Officer's Certificate certifying that the conditions precedent for the disposition of such property set forth in Section 4.18 hereof (other than the condition precedent set forth in Section 4.18(d) hereof) have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such property only and this grant shall be released by the Master Trustee as to such property in due form at the expense of the Obligated Group Members;

ALL THINGS NECESSARY to make this Master Trust Indenture a valid agreement and contract for the security of the Obligations in accordance with the terms of such Obligations and this Master Trust Indenture have been done;

IT IS HEREBY COVENANTED AND DECLARED that the Trust Estate is to be held and applied by the Master Trustee, subject to the further covenants, conditions, and trusts hereinafter set forth, and the Obligated Group Members do hereby covenant and agree to and with the Master Trustee, for the equal and proportionate benefit of all Holders of the Obligations except as herein otherwise expressly provided; and

THIS MASTER TRUST INDENTURE FURTHER WITNESSETH and it is expressly declared that all Obligations issued and secured hereunder are to be issued, authenticated and delivered and all said rights hereby pledged and assigned 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 Obligated Group Members have agreed and covenanted, and do hereby agree and covenant, with the Master Trustee for the equal and proportionate benefit of the respective Holders from time to time of the Obligations as follows:

ARTICLE I
DEFINITION OF TERMS, CONSTRUCTION
AND CERTAIN GENERAL PROVISIONS

SECTION 1.01 DEFINITION OF TERMS. For all purposes of this Master Trust Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) “this Master Trust Indenture” means this instrument as originally executed and “Master Indenture” refers to this instrument as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof;

(b) all references in this instrument designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Master Trust Indenture as a whole and not to any particular Article, Section, or other subdivision;

(c) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular number; and

(d) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles applied in accordance with Section 1.02 of this Master Trust Indenture.

“Accountant” means a certified public accountant, or a firm of certified public accountants, who or which is “independent” as that term is defined in Rule 101 and related interpretations of the Code of Professional Ethics of the American Institute of Certified Public Accountants, of recognized standing, who or which does not devote his or its full time to any Member or its Affiliates (but who or which may be regularly retained by a Member or its Affiliates).

“Accounts” means all rights to the payment of a monetary obligation, including, without limitation, tuition whether or not earned by performance (i) for property that has been or is to be sold, leased, licensed, assigned or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit card or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes all insurance receivables and bondable transition property. The term does not include (i) rights to payment evidenced by chattel paper or an instrument, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter of credit rights or letters of credit or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card and any other rights or property of the Members of the Obligated Group that is an “account” within the meaning of the Uniform Commercial Code.

“Act” when used with respect to any Holder of Obligations has the meaning specified in Section 1.04 and not the meaning assigned such term in any documents delivered in connection with the issuance of Obligations or Related Bonds, unless specifically provided for in such documents.

“Additional Indebtedness” means Indebtedness incurred by any Member subsequent to the issuance of the Initial Master Trust Notes.

“Additional Obligation” means any evidence of Indebtedness or evidence of any repayment obligation under any Interest Rate Agreement issued after the issuance of the Initial Master Trust Notes, which are authorized to be issued by a Member pursuant to this Master Trust Indenture which has been authenticated by the Master Trustee pursuant to Section 2.03 hereof.

“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.

“Annual Budget” means the annual budget of the Obligated Group required to be provided by the Obligated Group Representative pursuant to Section 4.15 hereof.

“As-Extracted Collateral” means all as-extracted collateral, as that term is defined in the Uniform Commercial Code, of the Members of the Obligated Group.

“Authorized Representative” shall mean, with respect to the Obligated Group Representative and each Obligated Group Member, its respective chief executive officer or president, the chief financial officer or any other person or persons designated an Authorized Representative thereof by an Officer’s Certificate of the Obligated Group Representative or the Obligated Group Member and delivered to the Master Trustee.

“Balloon Indebtedness” means Funded Indebtedness, 25% or more of the original principal amount of which matures during any consecutive 12 month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such 12 month period. Balloon Indebtedness does not include Indebtedness which otherwise would be classified hereunder as Put Indebtedness.

“Board” means the Obligor’s Board of Trustees.

“Board Resolution” of any specified Person means a copy of a resolution certified by the Person responsible for maintaining the records of the Governing Body of such Person to have been duly adopted by the Governing Body of such Person and to be in full force and effect on the date of such certification, and delivered to the Master Trustee.

“Bond Counsel” means any attorney at law or firm of attorneys of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions as may be selected by the Obligated Group Representative but is reasonably acceptable to the issuer of the Related Bonds.

“Bondholder Representative” means Hamlin Capital Management, LLC.

“Book Value” when used with respect to Property of a Member, means the value of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of such Member that have been prepared in accordance with generally accepted accounting principles, and when used with respect to Property of all Members, means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited combined financial statements of the Obligated Group prepared in accordance with generally accepted accounting principles, provided that such aggregate shall be calculated in such a manner that no portion of the value of any Property of any Member is included more than once.

“Build NYC” means Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York.

“Build NYC Bond Indenture” means the Indenture of Trust, dated as of June 1, 2020, between Build NYC and the Build NYC Trustee, as from time to time amended or supplemented by supplemental indentures in accordance with Article IX of the Build NYC Bond Indenture.

“Build NYC Bonds” means, collectively, the Build NYC Series 2020A Bonds, the Build NYC Series 2020B Bonds and, if issued, the Build NYC Series 2020C Bonds.

“Build NYC Loan Agreement” means the Loan Agreement, dated as of June 1, 2020, between Build NYC and the Obligor, and shall include any and all amendments thereof and supplements thereto made in conformity therewith and with the Build NYC Bond Indenture.

“Build NYC Master Trust Note - Series 2020A” means the Master Trust Note (Build NYC Resource Corporation – Series 2020A) of the Obligated Group Representative, as the same may be amended, supplemented or restated, in the original principal amount of \$17,540,000, being the initial Obligation issued by the Obligated Group Representative pursuant to the terms hereof and of Supplemental No.1 to secure repayment of the Build NYC Series 2020A Bonds.

“Build NYC Master Trust Note – Series 2020B/C” means the Master Trust Note (Build NYC Resource Corporation - Series 2020B/C) of the Obligated Group Representative, as the same may be amended, supplemented or restated, in the original principal amount of \$24,515,000, being the initial Obligation issued by the Obligated Group Representative pursuant to the terms hereof and of Supplemental No. 2 to secure repayment of the Build NYC Series 2020B Bonds until the issuance of the Build NYC Series 2020C Bonds whereupon it shall secure repayment of the Build NYC Series 2020C Bonds.

“Build NYC Master Trust Notes” means, collectively, the Build NYC Master Trust Note – Series 2020A and the Build NYC Master Trust Note – Series 2020B/C, and any additional Master Trust Notes (Build NYC Resource Corporation) issued thereafter.

“Build NYC Series 2020A Bonds” means the Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020A issued in the original aggregate principal amount of \$17,540,000 under the Build NYC Bond Indenture.

“Build NYC Series 2020B Bonds” means the Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) issued in the original aggregate principal amount of \$24,515,000 under the Build NYC Bond Indenture.

“Build NYC Series 2020C Bonds” means the Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020C to be issued in the original aggregate principal amount equal to the Outstanding principal amount of the Build NYC Series 2020B Bonds under the Build NYC Bond Indenture on the date of issue of the Build NYC Series 2020C Bonds.

“Build NYC Tax Regulatory Agreement” means the Tax Regulatory Agreement, dated June 22, 2020, among Build NYC, the Obligor and the Build NYC Trustee, and shall include any and all amendments thereof and supplements thereto made in conformity therewith and with the Build NYC Bond Indenture.

“Build NYC Trustee” means U.S. Bank National Association, New York, New York, in its capacity as trustee under the Build NYC Bond Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Build NYC Bond Indenture.

“Business Day” means any day other than (a) a Saturday, a Sunday, (b) a day the payment system of the U.S. Federal Reserve is not operational, (c) a day on which the New York Stock Exchange or banking

institutions in the State of New York are authorized or required by laws or executive order to close, or (d) a day on which the New York Stock Exchange is closed.

“Capital Addition” means any additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or replacements of or to the Facilities and the cost of which is properly capitalized under generally accepted accounting principles applied in accordance with Section 1.02 hereof.

“Capitalized Lease” means any lease of real or personal property which, in accordance with generally accepted accounting principles, is required to be capitalized on the balance sheet of the lessee, also known as a finance lease under generally accepted accounting principles.

“Capitalized Rentals” means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Capitalized Lease under which a Person is a lessee would be reflected as a liability on a balance sheet of such Person.

“Cash and Investments” means the sum of cash, cash equivalents, marketable securities of the Obligated Group Members, including without limitation Related Bonds held by the Obligated Group Members, board-designated assets, and amounts, if any, on deposit in the Reserve Fund, but at all times excluding (a) any Related Bonds Debt Service Reserve Fund and other trustee-held funds other than those specific funds listed above in this definition, (b) funds restricted by the donor to a use that would not permit the use of such funds to pay expenses or debt service on Indebtedness of the Obligated Group, and (c) any funds pledged or otherwise subject to a security interest for debt other than the Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group. For the purposes of calculations hereunder, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

“Chattel Paper” means all chattel paper, as that term is defined in the Uniform Commercial Code, of the Members of the Obligated Group, including, without limitation, any writings, which evidence both a monetary obligation and a security interest in or a lease of specific Goods.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions.

“Commitment Indebtedness” means the obligation of any Member to repay amounts disbursed pursuant to a commitment from a financial institution to refinance or purchase when due, when tendered or when required to be purchased (a) other Indebtedness of such Member, or (b) Indebtedness of a Person who is not a Member, which Indebtedness is guaranteed by a Guaranty of such Member or secured by or payable from amounts paid on Indebtedness of such Member, in either case which Indebtedness or Guaranty of such Member was incurred in accordance with the provisions of Section 4.16 hereof, and the obligation of any Member to pay interest payable on amounts disbursed for such purposes, plus any fees, costs or expenses

payable to such financial institution for, under or in connection with such commitment, in the event of disbursement pursuant to such commitment or in connection with enforcement thereof, including without limitation any penalties payable in the event of such enforcement.

“Commodities Accounts” means all commodities accounts, as that term is defined in the Uniform Commercial Code, of the Members of the Obligated Group.

“Completion Funded Indebtedness” means any Funded Indebtedness for borrowed money: (a) incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation, improvement, extension, alteration, relocation, enlargement, expansion, modification, replacement or equipping of Facilities or marketing or other pre-opening expenses of such Facilities with respect to which Funded Indebtedness has been incurred in accordance with the provisions hereof; and (b) with a principal amount not in excess of the amount which is required to provide completed and equipped Facilities of substantially the same type and scope contemplated at the time such prior Funded Indebtedness was originally incurred, to provide marketing and other pre-opening expenses, to provide for Funded Interest during the period of construction, to provide any reserve fund relating to such Completion Funded Indebtedness and to pay the costs and expenses of issuing such Completion Funded Indebtedness.

“Consent” means of any specified Person a written consent signed in the name of such Person by the Chairman of the Governing Body, the President, a Vice President, the Treasurer, an Assistant Treasurer or the Chief Financial Officer of such Person or any other person or persons designated by an Officer’s Certificate and delivered to the Master Trustee.

“Consultant” means a professional consulting, accounting, investment banking or commercial banking firm or individual selected by the Obligated Group Representative having the skill and experience necessary to render the particular report required and having a favorable reputation for such skill and experience (as certified in an Officer’s Certificate), which firm or individual does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or an Affiliate thereof.

“Contributions” means the aggregate amount of all contributions, grants, gifts, bequests and devises actually received in cash or marketable securities by any Person in the applicable fiscal year of such Person and any such contributions, grants, gifts, bequests and devises originally received in a form other than cash or marketable securities by any Person which are converted in such fiscal year to cash or marketable securities and deposited into the accounts of the Obligated Group.

“Control” or **“Controls”** means including the related terms “controlled by” and “under common control with”, 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

“Credit Facility” means any Liquidity Facility, letter of credit, bond insurance policy, standby purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing any Indebtedness of any Obligated Group Member.

“Crossover Date” means, with respect to Crossover Refunding Indebtedness, the date on which the principal portion of the Crossover Refunded Indebtedness is paid or redeemed, or on which it is anticipated that such principal portion will be paid or redeemed, from the proceeds of such Crossover Refunding Indebtedness.

“Crossover Refunded Indebtedness” means Indebtedness of a Person refunded by Crossover Refunding Indebtedness.

“Crossover Refunding Indebtedness” means Indebtedness of a Person issued for the purpose of refunding other Indebtedness of such Person if the proceeds of such Crossover Refunding Indebtedness are irrevocably deposited in escrow to secure the payment on the applicable Crossover Date of the Crossover Refunded Indebtedness and earnings on such escrow deposit are required to be applied to pay interest or principal on either or both of such Crossover Refunding Indebtedness or such Crossover Refunded Indebtedness until the Crossover Date.

“Current Value” means (a) with respect to Property, Plant and Equipment: (i) the aggregate fair market value of such Property, Plant and Equipment as reflected in the most recent written report of an appraiser selected by the Obligated Group Representative and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Master Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is to be calculated); plus (ii) the Book Value of any Property, Plant and Equipment acquired since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the construction index from the date of such acquisition to the date as of which Current Value is to be calculated, minus (iii) the Book Value of any such Property, Plant and Equipment acquired since the last such report but disposed of; and (b) with respect to any other Property, the fair market value of such Property as set forth in an Officer’s Certificate of the Obligated Group Representative.

“Days Cash on Hand” means, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by, (b) the quotient obtained by dividing Expenses (including interest on Indebtedness, but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses) as shown on the most recent annual audited financial statements (or, with respect to any calculation of Days Cash on Hand as of any fiscal quarter other than December 31, as reflected in the unaudited trailing twelve month financial statements for the period ending such fiscal quarter, as derived from the quarterly financial statements delivered pursuant to Section 4.15(b)(1) hereof), by 365.

“Debt Service Reserve Fund” means the fund created under Section 3.01(e) hereof.

“Debt Service Reserve Fund Requirement” means the amount as shall be set forth in the Supplement related to the Related Bonds.

“Debt Service Requirements” means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest expense on outstanding Funded Indebtedness of each Person or a group of Persons with respect to which such requirements are calculated; provided that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in Sections 4.16 and 4.17 hereof; (b) interest shall be excluded from the determination of the Debt Service Requirements to the extent that Funded Interest is available to pay such interest; (c) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal; (d) principal of Indebtedness due in its final year shall be excluded from the determination of Debt Service Requirements to the extent moneys were initially deposited and are on deposit as of the date of calculation in a debt service reserve fund which required that moneys on deposit in the debt service reserve fund be used to pay a principal payment in the final year of such Indebtedness; (e) any annual fees payable in respect of a Credit Facility (other than annual fees to be paid from proceeds

of a bond issue escrowed for such purpose) shall be included in the determination of Debt Service Requirements; (f) principal of and interest on Qualified Intermediate Term Indebtedness shall be excluded; and (g) all payments due on Affiliate Subordinated Indebtedness or on Non-Recourse Indebtedness shall be excluded.

“Defeasance Obligations” means:

(a) Direct obligations of the United States of America or obligations to the full and prompt payment of which the full faith and credit of the United States of America is pledged or evidences of ownership of proportionate interests in future interest and principal payments on such obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on such obligations, and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated; and

(b) Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:

- (1) Federal Home Loan Bank System;
- (2) Export-Import Bank of the United States;
- (3) Federal Financing Bank;
- (4) Government National Mortgage Association;
- (5) Farmers Home Administration;
- (6) Federal Home Loan Mortgage Company;
- (7) Federal Housing Administration;
- (8) Federal National Mortgage Association;
- (9) Agency for International Development;

(10) Any other agency or instrumentality of the United States of America created by an Act of Congress which is substantially similar to the foregoing in its legal relationship to the United States of America; and

(c) Obligations described in Section 103(a) of the Code, provision for the payment of the principal of (and premium, if any) and interest on which shall have been made by the irrevocable deposit at least 123 days preceding the date of determination with a bank or trust company acting as a trustee or escrow agent for Holders of such obligations of money, or obligations described in clause (1) above, the maturing principal of and interest on which, when due and payable, without reinvestment will provide money, sufficient to pay when due the principal of (and premium, if any) and interest on such obligations, and which money, or obligations described in clause (1) above, are not available to satisfy any other claim, including any claim of the trustee or escrow agent or any claim of any Person claiming through the trustee or escrow agent or any claim of any Person to whom the Person on whose behalf such irrevocable deposit was made, the trustee, or the escrow agent may be obligated, whether arising out of the insolvency of the Person on whose behalf such irrevocable deposit was made, the trustee or escrow agent or otherwise.

“Documents” means all documents, as that term is defined in the Uniform Commercial Code, of the Members of the Obligated Group, including, but not limited to, documents of title (as that term is defined in the Uniform Commercial Code) and any and all receipts of the kind described in Article 7 of the Uniform Commercial Code.

“Electronic Means” means the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Master Trustee as available for use in connection with its services hereunder.

“EMMA” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the Municipal Securities Rulemaking Board and its successors.

“Encumbered” means, with respect to Property, Property which is subject to (1) a Lien described in the following subsections of the definition of Permitted Encumbrances: subsection (b) other than a Lien securing Non-Recourse Indebtedness; subsection (e) but including only Capitalized Leases; subsection (m)(ii); and subsection (s); and (2) all other Liens not described in the definition of Permitted Encumbrances; provided that any amounts on deposit in a construction fund created in connection with the issuance of an Obligation which are held as security for the payment of such Obligation or any Indebtedness incurred to purchase such Obligation or the proceeds of which are advanced or otherwise made available in connection with the issuance of such Obligation, shall not be deemed to be Encumbered if the amounts are to be applied to construct, remodel, renovate, improve, extend, alter, relocate, enlarge, expand, modify, replace or equip or otherwise acquire Property which is not subject to a Lien.

“Environmental Laws” means all applicable federal, state, regional or local laws, statutes, rules, executive orders, regulations, standards, requirements or ordinances concerning public health, safety or the environment, including (without limitation) CERCLA; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §6901, *et seq.* (“RCRA”); the federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. §1251, *et seq.*; the Toxic Substances Control Act of 1976, 15 U.S.C. §2601, *et seq.*; the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. §11001, *et seq.*; the Clean Air Act of 1966, as amended, 42 U.S.C. §7401, *et seq.*; the National Environmental Policy Act of 1975, 42 U.S.C. §4321, *et seq.*; the Rivers and Harbors Act of 1899, 33 U.S.C. §401 *et seq.*; the Endangered Species Act of 1970, as amended, 29 U.S.C. §651, *et seq.*; the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. §300(f), *et seq.*; and all rules, regulations, policies and guidance documents promulgated or published thereunder, and any state, regional, parish or local statute, law, rule, regulation or ordinance relating to public health, safety or the environment, including (without limitation) those relating to:

- (a) releases, discharges, emissions or disposals to air, water, land or groundwater;
- (b) the withdrawal or use of groundwater;
- (c) the use, handling, or disposal of polychlorinated biphenyls (“PCBs”), asbestos or urea formaldehyde;
- (d) the transportation, treatment, storage, disposal, release or management of hazardous substances or materials (including, without limitation, petroleum, its derivatives, by-products or other hydrocarbons) and any other solid, liquid or gaseous substance exposure to which is prohibited, limited or regulated, or may or could pose a hazard to the health and safety of the occupants of the Mortgaged Property or any property adjacent to or surrounding the Mortgaged Property;

(e) the exposure of persons to toxic, hazardous or other controlled, prohibited or regulated substances; and

(f) any Regulated Chemical.

“Equipment” means all machinery, apparatus, equipment, fittings and other tangible personal property (other than Inventory) of every kind and description used in the operations of the Members of the Obligated Group or owned by any Obligated Group Member in which such Member has an interest, whether or not affixed to realty, including, without limitation, all motor vehicles, trucks, trailers, handling and delivery equipment, cranes, hoisting equipment, Fixtures, office machines and furniture, together with all accessions, replacements, rights under any manufacturer’s warranties relating to the foregoing and any other rights or property of the Members of the Obligated Group that is equipment within the meaning of the Uniform Commercial Code.

“Event of Default” has the meaning set forth in Article VII hereof.

“Excluded Property” means (a) any assets of “employee pension benefit plans” as defined in the Employee Retirement Income Security Act of 1974, as amended, (b) the real estate, if any, financed with Indebtedness pursuant to Section 4.16 hereof, and all improvements, fixtures, tangible personal property and equipment located thereon and used in connection therewith, and (d) as otherwise described on **Exhibit D.**

“Expenses” means, for any period, the aggregate of all expenses as determined in accordance with generally accepted accounting principles, including without limitation any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) interest on Funded Indebtedness (taking into account any Interest Rate Agreement as provided in Section 4.17 hereof), (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale or disposition of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension or other employee benefit plans, (d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (e) losses resulting from any reappraisal, revaluation or write down of assets other than bad debts, including, but not limited to, unrealized losses resulting from changes in the valuation of an Interest Rate Agreement, (f) non-cash expenses or losses, (g) any expenses paid with proceeds of any Related Bonds or Indebtedness and (h) any development, marketing, operating, overhead or management fees that have been deferred from the year in which they were originally due. If such calculation of Expenses is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded.

“Extendable Indebtedness” means Indebtedness which is repayable or subject to purchase at the option of the Holder thereof prior to its Stated Maturity, but only to the extent of money available for the repayment or purchase therefor and not more frequently than once every year.

“Facilities” means the land, building and all fixtures and equipment comprising the college and related educational facilities owned by the Obligated Group Members located on the Premises, including any sports facilities, all necessary and useful furnishings, equipment and machinery, and such interests in land as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site preparation facilities.

“Feasibility Report” means a report prepared and signed by a Consultant, who is an Accountant, setting forth for a forecast period not exceeding five Fiscal Years from the later of the date of the issuance of the Indebtedness in question, or the completion of the Capital Additions financed with such Indebtedness:

(a) forecasted financial statements prepared on the same basis as the Obligated Group's audited financial statement; and (b) a full explanation of the assumptions and rationale used in preparing such forecasts, including that such forecasts have taken into account the projected utilization of the Facilities, the rates and charges to patients and residents and such other data and information as may be necessary to support the forecasted financial statements; which shall be accompanied by an opinion of such Consultant that the underlying assumptions provide a reasonable basis for such forecast.

"Federal Subsidy Payments" means the direct payments made by the United States Department of Treasury or other federal governmental agency or entity authorized to make such payments to the issuer or conduit borrower for any Related Bonds which constitute Subsidy Bonds.

"Fiscal Year" means any 12-month period beginning on July 1 of any calendar year and ending on June 30 of the immediately succeeding calendar year, or such other consecutive 12-month period selected by the Obligated Group Representative as the fiscal year for the Members.

"Fitch" means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of Delaware, 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 Obligated Group, with written notice to the Master Trustee.

"Fixtures" means Goods of the Members of the Obligated Group that have become so related to particular real property that an interest in them arises under real property law.

"Funded Indebtedness" means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed, credit extended, incurred or assumed which is not Short Term; (b) all Short Term Indebtedness incurred by the Person which is of the type described in Section 4.16(d) hereof; (c) the Person's Guaranties of Indebtedness which are not Short Term (but including Guaranties of Short Term Indebtedness described in Section 4.16(d) hereof); and (d) Capitalized Rentals under Capitalized Leases entered into by the Person; provided, however, that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to this Master Trust Indenture.

"Funded Interest" means amounts irrevocably deposited in an escrow or other trust account (other than a Related Bonds Debt Service Reserve Fund) to pay interest on Funded Indebtedness or Related Bonds and interest earned on such amounts to the extent such interest earned is required to be applied to pay interest on Funded Indebtedness or Related Bonds.

"GAAP" means the Generally Accepted Accounting Principles.

"General Intangibles" means all general intangibles, as that term is defined in the Uniform Commercial Code, of the Members of the Obligated Group.

"Goods" means all things that are moveable when a security interest attaches.

"Governing Body" means, with respect to a Member, the board of directors, the board of trustees or similar group, including, without limitation, an executive committee, in which the right to exercise the powers of corporate directors or trustees is vested.

“Government Obligations” means direct obligations of the United States of America or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America.

“Guaranty” means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person: (a) to purchase such Indebtedness or obligation or any Property constituting security therefor; (b) to advance or supply funds: (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition; (c) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation; or (d) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

“Historical Debt Service Coverage Ratio” means, for any period of time, the ratio determined by dividing (a) Income Available for Debt Service for such period by (b) the product of the then current Debt Service Requirement times the number of days during such period divided by three hundred sixty five (365); provided, however, that in calculating the Debt Service Requirements for such period, (a) the principal amount of any Indebtedness included in such calculation which is paid during such period shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of this Master Trust Indenture, and (b) to the extent an Interest Rate Agreement has been entered into in connection with any particular Indebtedness, the actual debt service paid after the effect of payments made to or received from the provider of the Interest Rate Agreement shall be used in the calculation.

“Historical Pro Forma Debt Service Coverage Ratio” means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness then outstanding (other than any Funded Indebtedness being refunded with the Funded Indebtedness then proposed to be issued) and the Funded Indebtedness then proposed to be issued and a denominator of one.

“Holder” means the registered owner of any Obligation.

“Holder Consent” means the written consent of the Holders of a majority in aggregate principal amount of the total amount of Obligations then Outstanding.

“Income Available for Debt Service” means for any period, the excess of Revenues over Expenses of the Person or group of Persons involved.

“Indebtedness” means (i) all indebtedness of Members for borrowed money, (ii) all installment sales, conditional sales, and capital lease obligations, incurred or assumed by any Member, and (iii) all Guaranties. Indebtedness shall not include (a) obligations of any Member to another Member, (b) Defeased Obligations, (c) Interest Rate Agreements (but any amounts then due but unpaid thereunder shall constitute Indebtedness), (d) obligations of any Member under a line of credit, letter of credit, standby bond purchase agreement, or credit enhancement or similar facility (and any reimbursement agreement relating thereto) established in connection with the issuance of any Indebtedness of a Member or Related Bonds to the extent that such facilities have not been used or drawn upon and to the extent that they have been used or drawn upon to purchase, but not retire, Related Bonds and (e) any Subordinated Indebtedness owed to an Affiliate of such Person evidencing an obligation to repay funds advanced or to pay fees owed to such Affiliate or any obligation to repay moneys deposited by students or others with a Member as security for or as prepayment of the cost of education.

“Indemnified Party” means the Master Trustee and its officers, directors, employees and agents.

“Independent Counsel” means an attorney duly admitted to practice law in any state and, without limitation, may include independent legal counsel for any Member, the Master Trustee or any Related Bond Trustee.

“Initial Master Trust Notes” means, collectively, the Build NYC Master Trust Note - Series 2020A, the Build NYC Master Trust Note - Series 2020B/C and the PFA Master Trust Note - Series 2020A.

“Initial Testing Period” means the Fiscal Year ending June 30, 2021.

“Instruments” means all instruments, as that term is defined in the Uniform Commercial Code, of the Members of the Obligated Group, including, without limitation, bills of exchange, notes and all negotiable instruments, all certificated securities, all certificates of deposit and any other writing which evidences a right to payment of money and is a type which is in the ordinary course of business transferred by delivery with any necessary endorsement or assignment.

“Insurance Consultant” means a person or firm who in the case of an individual is not an employee or officer of any Member and which, in the case of a firm, does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or an Affiliate thereof, appointed by the Obligated Group Representative, qualified to survey risks and to recommend insurance coverage for educational facilities, and having a favorable reputation for skill and experience in such surveys and such recommendations (as certified in an Officer’s Certificate), and which may include a broker or agent with whom any Member transacts business.

“Interest Rate Agreement” means an interest rate exchange, hedge or similar agreement, expressly identified in an Officer’s Certificate of the Obligated Group Representative delivered to the Master Trustee as being entered into in order to hedge the interest payable on all or a portion of any Indebtedness, which agreement may include, without limitation, an interest rate swap, a forward or futures contract or an option (e.g., a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof. An Interest Rate Agreement shall not constitute Indebtedness hereunder unless and to the extent amounts due thereunder are unpaid.

“Inventory” means all Goods intended for sale or lease by the Members of the Obligated Group of every nature, kind and description wherever located, including, without limitation, raw materials, Goods, work in process and finished Goods and all Goods returned or reclaimed from customers, together with any other rights or properties of the Members of the Obligated Group that are inventory within the meaning of the Uniform Commercial Code.

“Investment Property” means with respect to each Obligated Group Member (a) all securities, or securities certificates or uncertificated securities representing the securities, (b) security entitlements, (c) Securities Accounts, (d) commodity contracts, or (e) Commodities Accounts.

“Land” means the real Property owned by the Obligated Group upon which the primary operations of the Members are conducted as described in **Exhibit A** hereto, as amended as provided herein from time to time, together with all buildings, improvements and Fixtures located thereon, but excluding therefrom the Excluded Property.

“Lien” means any mortgage, pledge or lease of, security interest in or lien, charge or encumbrance on any Property of the Person involved in favor of, or which secures any obligation to, any Person other

than any Member, and any Capitalized Lease under which any Member is the lessee and the lessor is not another Member.

“Liquidity Facility” means a written commitment to provide money to purchase or retire any Indebtedness if (a) on the date of delivery of such Liquidity Facility, the unsecured Funded Indebtedness or claims-paying ability of the provider of such Liquidity Facility or its parent holding company or other controlling entity is rated at least “A” by a least one of the Rating Agencies, and (b) as of any particular date of determination, no amount realized under such Liquidity Facility for the payment of the principal or the purchase or redemption price of such Indebtedness (exclusive of amounts realized for the payment of accrued interest on such Indebtedness) shall be required to be repaid by the obligor on such Funded Indebtedness for a period of at least one year.

“Liquidity Requirement” has the meaning given such term in Section 4.20 hereof.

“Loan Payments” means payments made pursuant to Related Loan Agreements.

“Long-Term Indebtedness” means Indebtedness (which also may constitute Balloon Indebtedness or Put Indebtedness) having an original Stated Maturity or term greater than one year or renewable at the option of the debtor for a period greater than one year from the date of original issuance.

“Master Indenture” means this Master Trust Indenture dated as of June 1, 2020 between the Obligor (on behalf of the Obligated Group) and the Master Trustee, as it may from time to time be amended or supplemented in accordance with the terms hereof.

“Master Trustee” means UMB Bank, National Association, a national banking association duly organized and existing under the laws of the United States of America with trust powers in the State of New York, as trustee hereunder, and any successor in trust appointed pursuant to Article VIII hereof.

“Maturity” when used with respect to any Indebtedness, means the date on which the principal of such Indebtedness or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

“Maximum Annual Debt Service Requirement” means the largest total Debt Service Requirements for the current or any succeeding Fiscal Year.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, 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 Obligated Group, with written notice to the Master Trustee.

“Mortgage” means any mortgage, deed of trust, assignment of leases and rents or other like instrument granting a Lien in real property, or a Lien upon an interest in real property, in favor of the Master Trustee, as security for one or more Obligations.

“Mortgaged Property” means the real property and personal property of the Members which is subject to the Lien and security interest of this Master Trust Indenture and the Related Mortgages.

“Net Proceeds” means, when used with respect to any insurance (other than the proceeds of business interruption insurance) or condemnation award or sale consummated under threat of condemnation, the gross proceeds from the insurance or condemnation award or sale with respect to which

that term is used less all expenses (including attorney's fees, costs and expenses, adjuster's fees and any costs or expenses of the Obligated Group or the Master Trustee) incurred in the collection of such gross proceeds.

"Net Rentals" means all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the leased Property other than upon termination of the lease for a default thereunder) payable under a lease or sublease of real or personal Property excluding any amounts required to be paid by the lessee (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Net Rentals for any future period under any so called "percentage lease" shall be computed on the basis of the amount reasonably estimated to be payable thereunder for such period, but in any event, unless otherwise set forth in an Officer's Certificate of the Obligated Group Representative which includes an explanation in reasonable detail, not less than the amount paid or payable thereunder during the immediately preceding period of the same duration as such future period; provided that the amount estimated to be payable under any such percentage lease shall in all cases recognize any change in the applicable percentage called for by the terms of such lease.

"Non-Recourse Indebtedness" means any Indebtedness secured by a Lien, which Indebtedness is not a general obligation of the Obligated Group or of any Member, and the liability for which Indebtedness is effectively limited to the Property subject to such Lien with no recourse, directly or indirectly, by deficiency judgment or otherwise, to any other Property of any Member.

"Obligated Group" means, collectively, all of the Obligated Group Members.

"Obligated Group Member" or **"Member"** means the Obligor and any other Person who has satisfied the requirements set forth in this Master Trust Indenture for becoming an Obligated Group Member and its successors until any such Person or a successor or transferee Person satisfies the requirements set forth in this Master Trust Indenture for ceasing to be an Obligated Group Member.

"Obligated Group Representative" means the Obligor, or any successor Obligated Group Representative appointed pursuant to Section 6.04 hereof.

"Obligation" means any promissory note, guaranty, lease, contractual agreement to pay money or other obligation of any Obligated Group Member which is authenticated and delivered pursuant to this Master Trust Indenture and which is entitled to the benefits of this Master Trust Indenture.

"Obligation Register" means the register of ownership of the Obligations to be maintained pursuant to this Master Trust Indenture.

"Obligor" means St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York, and any and all successors thereto in accordance with this Master Trust Indenture.

"Obligor Documents" means those documents in a Related Bonds transaction to which the Obligor is a party.

"Officer's Certificate" means a certificate signed, in the case of a certificate delivered by a Member of the Obligated Group, by the Chair or Vice Chair of the Governing Body, the President, the Chief Financial Officer, the Vice President of Finance or any other Authorized Representative of any Member of the Obligated Group or in the case of a certificate delivered by any other corporation, by any other officer or agent authorized to sign by resolution of the Governing Body of such corporation or, in the

case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person.

“Opinion of Bond Counsel” means an opinion in writing signed by Bond Counsel.

“Opinion of Counsel” means a written opinion of counsel (which may be in-house counsel) who may (except as otherwise expressly provided herein) be counsel to any Obligated Group Member.

“Outstanding” when used with respect to Obligations means, as of the date of determination, all Obligations theretofore authenticated and delivered under this Master Trust Indenture, except:

(a) Obligations theretofore cancelled and delivered to the Master Trustee or delivered to the Master Trustee for cancellation, or paid in accordance with Section 2.08 hereof;

(b) Obligations for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 10.02 of this Master Trust Indenture) shall have theretofore been deposited with the Master Trustee or any Paying Agent for such Obligations in trust for the Holders of such Obligations pursuant to this Master Trust Indenture; provided, that, if such Obligations are to be redeemed, notice of such redemption has been duly given or waived pursuant to this Master Trust Indenture or irrevocable provision for the giving of such notice satisfactory to the Master Trustee has been made pursuant to this Master Trust Indenture; and

(c) Obligations upon transfer of or in exchange for or in lieu of which other Obligations have been authenticated and delivered pursuant to this Master Trust Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Obligations have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Obligations owned by any Obligated Group Member or any Affiliate of any Obligated Group Member shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Obligations that a Responsible Representative of the Master Trustee actually knows to be so owned shall be so disregarded. Obligations so owned that have been pledged in good faith may be regarded as Outstanding if the pledgor delivers an Officer’s Certificate certifying to a Responsible Representative of the Master Trustee the pledgor’s right so to act with respect to such Obligations and that the pledgee is not an Obligated Group Member or an Affiliate of any Obligated Group Member.

“Paying Agent” means any Person authorized by the Obligated Group Representative to pay the principal of (and premium, if any) or interest on any Obligations on behalf of the Obligated Group.

“Permitted Encumbrances” means any Related Loan Agreement, any Related Bond Indenture and, as of any particular date:

(a) Liens arising by reason of good faith deposits with a Member in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Member 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; 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 any Member to maintain self-insurance or to participate in any funds established to

cover any insurance risks or in connection with workers' compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;

(b) any Lien described in **Exhibit B** hereto which is existing on the date of execution of this Master Trust Indenture provided that no such Lien may be extended, renewed or modified to apply to any Property of a Member of the Obligated Group not subject to such Lien on such date, unless such Lien as so extended, renewed or modified otherwise qualifies as a Permitted Encumbrance;

(c) any Lien on the Property of any Member granted in favor of or securing Indebtedness to any other Member, with Holder Consent;

(d) this Master Trust Indenture, the Related Mortgage and any other Mortgage or other Lien on Property if such Mortgage or Lien secures any Obligation or equally or ratably secures any or all Obligations;

(e) leases which relate to Property of the Obligated Group which is of a type that is customarily the subject of such leases, such as office, classroom or laboratory space for educational institutions, food service facilities, sports or recreational facilities, gift shops, banking, other similar specialty services, student dormitories, or employee rental apartments; and any leases or licenses for thespians, musicians, singers, dancers or other performing artists or organizations, licenses or similar rights to use Property where under such lease, license or similar right a Member is a lessee, licensee or the equivalent thereof upon fair and reasonable terms no less favorable to the lessee or licensee than would obtain in a comparable arm's length transaction;

(f) Liens for taxes and special assessments owed by an Obligated Group Member which are not then delinquent, or if then delinquent are being contested in accordance with Section 4.05 hereof;

(g) utility, access and other easements and rights of way, restrictions, encumbrances and exceptions necessary to operate the Property which do not materially interfere with or materially impair the operation of the Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified);

(h) any mechanic's, laborer's, materialman's, broker's, appraiser's, supplier's or vendor's Lien or right in respect thereof if payment is not yet due under the contract in question or has been due for less than 90 days, or if such Lien is being contested in accordance with the provisions of this Master Trust Indenture;

(i) such Liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and which do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof;

(j) zoning laws and similar restrictions which are not violated by the Property affected thereby;

(k) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill Burton grants, and similar rights under other federal statutes or statutes of the state in which the Property involved is located;

(l) all right, title and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(m) Liens on or in Property given, granted, bequeathed or devised by the owner thereof existing at the time of such gift, grant, bequest or devise, provided that (i) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (ii) such Liens secure Indebtedness which is not assumed by any Member and such Liens attach solely to the Property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;

(n) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;

(o) Liens on Property due to rights of third party payors for recoupment of excess reimbursement paid owed by an Obligated Group Member;

(p) any security interest in a rebate fund, any depreciation reserve, debt service or interest reserve, debt service, construction fund or any similar fund established pursuant to the terms of any Supplement, Related Bond Indenture or Related Loan Agreement in favor of the Master Trustee, a Related Bond Trustee or the Holder of the Indebtedness issued pursuant to such Supplement, Related Bond Indenture or Related Loan Agreement or the Holder of any related Commitment Indebtedness;

(q) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member which secures Commitment Indebtedness and only Commitment Indebtedness;

(r) any Lien on Property acquired by a Member which Lien secures Indebtedness issued, incurred or assumed by any Member, in connection with and to effect such acquisition or existing Indebtedness assumed as part of such acquisition which will remain outstanding after such acquisition which Lien encumbers Property (other than Property that is subject to the Lien of a Mortgage), if in any such case the aggregate principal amount of such Indebtedness does not exceed 100% of the fair market value of such Property subject to such Lien as determined in good faith by the Governing Body of the Member;

(s) Liens on accounts receivable arising as a result of the sale of such accounts receivable with or without recourse, provided that the principal amount of Indebtedness secured by any such Lien does not exceed the face amount of such accounts receivable sold;

(t) such Liens, covenants, conditions and restrictions, if any, which do not secure Indebtedness and which are other than those of the type referred to above, and which (i) in the case of Property owned by the Obligated Group on the date of execution of this Master Trust Indenture, do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Property currently affected thereby or materially impair the same, and (ii) in the case of any other Property, do not materially impair or materially interfere with the operation or usefulness thereof for the purpose for which such Property was acquired or is held by a Member; and

(u) any title policy exceptions described in **Exhibit C** hereto relating to the Premises.

“Permitted Investments” means, if and to the extent the same are at the time legal for investment of funds held under this Master Trust Indenture, dollar denominated investments in any of the following:

(a) Government Obligations;

(b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated investment grade by any Rating Agency;

(c) any bond, debenture, note, participation certificate or other similar obligation which is either (i) issued or guaranteed by the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, or the Federal Farm Credit Bank, or (ii) backed by the full faith and credit of the United States of America;

(d) U.S. denominated deposit account, certificates of deposit and banker's acceptances with domestic commercial banks, including the Master Trustee or its Affiliates, which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" by S&P, "F-1+" by Fitch or "P-1" by Moody's, without regard to gradation, and which matures not more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase within the classification or higher, "A-1" by S&P, "F-1+" by Fitch or "P-1" by Moody's, without regard to gradation, and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated investment grade by any Rating Agency;

(g) 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 which, (1) all of the unsecured, direct long-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution 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 (2) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency in the three 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; 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 (1) be assigned to a provider rated in one of the three highest rating categories, or (2) be secured by the provider with collateral securities 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%; investment agreements with banks or non-bank financial institutions shall not be permitted if no rating is available with respect to debt of the investment agreement provider or the related guarantor of such provider;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including without limitation any Bond Trustee or the Master Trustee or its Affiliates), a trust company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Master Trustee or a custodial agent of the Master Trustee has possession of the collateral and that the collateral is, certified by the Obligated Group Representative, to the Master Trustee to be free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, (iv) the fair market value of the collateral securities in relation to the amount of the repurchase

obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of any bond trustee or the Master Trustee's agent; and

(i) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, having assets of at least \$100,000,000 and having a rating of "AAAm" or "AAAm-G" by a Rating Agency, including money market mutual funds from which the Master Trustee or its Affiliates derive a fee for investment advisory or other services to the fund.

The Master Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter (even if any rating is downgraded), absent receipt by a Responsible Representative of the Master Trustee of written notice or actual information to the contrary. To the extent such investment is no longer a Permitted Investment, the Obligated Group Representative shall promptly provide the Master Trustee written notice of such status and the Master Trustee shall proceed to invest such amounts pursuant to Section 3.02 herein.

For the purposes of this definition, obligations issued or held in the name of the Master Trustee in book-entry form on the books of the Department of Treasury of the United States shall be deemed to be deposited with the Master Trustee.

"Permitted Transfer" means any sale, transfer, or disposition, directly or indirectly of the Obligated Group Member's property located at 180 Remsen Street, Brooklyn, New York.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or any other entity.

"PFA" means the Public Finance Authority, its successors and assigns.

"PFA Bonds" means the not to exceed \$33,745,000 aggregate principal amount of Public Finance Authority Taxable Revenue Bonds, St. Francis College Issue, Series 2020.

"PFA Bond Indenture" means the Bond Trust Indenture, dated as of June 1, 2020, by and between the PFA and UMB Bank, National Association, as trustee.

"PFA Loan Agreement" means the Loan Agreement, dated as of June 1, 2020, between the PFA and the Obligated Group Representative, as the same may be amended and supplemented from time to time.

"PFA Master Trust Note – Series 2020A" means the Master Trust Note (Public Finance Authority – Series 2020A) of the Obligated Group Representative, as the same may be amended, supplemented or restated, in the maximum original principal amount of \$33,745,000, being the initial Obligation issued by the Obligated Group Representative pursuant to the terms hereof and of Supplemental No. 3 to secure repayment of the PFA Bonds.

"Place of Payment" for a series of Obligations means a city or political subdivision designated as such pursuant to this Master Trust Indenture or a Supplement.

"Premises" means the real property described in Exhibit A hereto, as it may be amended from time to time.

“Primary Obligor” means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

“Proceeds” means all proceeds, as that term is defined in the Uniform Commercial Code, including, without limitation, whatever is received upon the sale, lease, license, exchange, or other disposition of any collateral, whatever is collected on, or distributed on account of, collateral and whether not in cash, and accessions, replacements, products and renewals of, for or to such property and all insurance therefor.

“Projected Debt Service Coverage Ratio” means, for any future period, the ratio consisting of a numerator equal to the amount determined by dividing the projected Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness expected to be outstanding during such period and a denominator of one; provided, however, that in calculating the Debt Service Requirements in order to calculate the Maximum Annual Debt Service Requirement for such period, (i) the principal amount of any Funded Indebtedness included in such calculation which is paid during such period shall be excluded to the extent such principal amount will be paid from the proceeds of other Indebtedness incurred in accordance with the provisions of this Master Trust Indenture, and (ii) to the extent an Interest Rate Agreement has been or will be entered into in connection with any particular Indebtedness, the actual debt service paid after the effect of Regularly Scheduled Payments to be made to or to be received from the provider of the Interest Rate Agreement shall be used in the calculation.

“Projected Rate” means the projected yield at par of an obligation as set forth in the report of a Consultant. Such report shall state that in determining the Projected Rate such Consultant reviewed the yield evaluations at par of not less than three obligations (or such lesser number as the Consultant shall deem appropriate, but in no event less than one) selected by such Consultant, the interest on which is entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto (or, if it is not expected that it will be reasonably possible to issue such tax-exempt obligations, or if the interest on the Indebtedness for which the Projected Rate is being calculated is not entitled to such exemption, then obligations the interest on which is subject to federal income taxation) which obligations such Consultant states in its report are reasonable comparators for utilizing in developing such Projected Rate and which obligations: (a) were outstanding on a date selected by the Consultant which date so selected occurred during the 90 day period preceding the date of the calculation utilizing the Projected Rate in question, (b) to the extent practicable, are obligations of Persons engaged in operations similar to those of the Obligated Group and having a credit rating similar to that of the Obligated Group, (c) are not entitled to the benefits of any credit enhancement (including without limitation any letter or line of credit or insurance policy) if the obligation for which the Projected Rate is being determined is not benefited by any credit enhancement, and (d) to the extent practicable, have a remaining term and amortization schedule substantially the same as the obligation with respect to which such Projected Rate is being developed.

“Property” means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired by a Person.

“Property, Plant and Equipment” means all Property of each Member, which is classified as property, plant and equipment under generally accepted accounting principles.

“Put Date” means (a) any date on which an owner of Put Indebtedness may elect to have such Put Indebtedness paid, purchased or redeemed by or on behalf of the underlying obligor prior to its Stated Maturity date, or (b) any date on which Put Indebtedness is required to be paid, purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its

Stated Maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

“Put Indebtedness” means Indebtedness which is (a) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its Stated Maturity date, or (b) payable or required to be purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its Stated Maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

“Qualified Intermediate Term Indebtedness” means any Indebtedness that matures not more than seven years from the date of its issuance or incurrence and is issued or incurred to finance Facilities for the Obligated Group.

“Rating Agency” means, as applicable, Moody’s, S&P or Fitch or any other Rating Agency that has been requested by the Obligated Group Representative of the Obligated Group to assign a rating to particular Related Bonds and is registered as a Nationally Recognized Statistical Rating Organization (NRSRO) by the U.S. Securities and Exchange Commission.

“Regularly Scheduled Payments” means payments scheduled for regular payment on specified dates or at specific intervals pursuant to an Interest Rate Agreement.

“Regulated Chemicals” means any substance, the presence of which requires investigation, permitting, control or remediation under any federal, state or local statute, regulation, ordinance or order, including (without limitation):

- (a) any substance defined as “hazardous waste” under RCRA;
- (b) any substance defined as a “hazardous substance” under CERCLA;
- (c) any substance defined as a “hazardous material” under the federal Regulated Chemicals Transportation Law (49 U.S.C. § 5101 *et seq.*);
- (d) any substance defined under any analogous state statute;
- (e) asbestos;
- (f) urea formaldehyde;
- (g) PCBs;
- (h) petroleum, or any distillate or fraction thereof; and
- (i) any hazardous or toxic substance designated pursuant to the laws of a state.

“Related Bond Indenture” means any indenture, bond resolution or other comparable instrument pursuant to which a series of Related Bonds is issued including, without limitation the Build NYC Bond Indenture and the PFA Bond Indenture.

“Related Bond Trustee” means the bond trustee and its successor in the trust created under any Related Bond Indenture.

“Related Bonds” means the Series 2020 Bonds and any other series of revenue bonds, notes or other obligations issued by any state, territory or possession of the United States or any municipal corporation or political subdivision formed under the laws thereof or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof (“governmental issuer”), pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to any Obligated Group Member in consideration of the execution, authentication and delivery of an Obligation to or for the order of such governmental issuer.

“Related Bonds Debt Service Reserve Fund” means a debt service reserve fund established pursuant to a Related Bond Indenture to secure payment on any Related Bonds.

“Related Issuer” means the issuer of Related Bonds the proceeds of which are used to make a loan to an Obligated Group Member pursuant to the terms of a Related Loan Agreement.

“Related Loan Agreement” means the Build NYC Loan Agreement, the PFA Loan Agreement, and any loan agreement, financing agreement, credit agreement or other comparable instrument entered into in connection with a series of Related Bonds.

“Related Mortgage” means each Mortgage and any other mortgage, deed of trust, security agreement or other comparable instrument entered into in connection with a series of Related Bonds.

“Request” of any specified Person means a written request signed in the name of such Person by the Chair or Vice Chair of the Governing Body, the President or the Chief Financial Officer or Vice President of Finance of such Person or any other person or persons designated by an Officer’s Certificate and delivered to the Master Trustee.

“Required Information Recipient” means the Master Trustee, each Related Bond Trustee, each Related Issuer, each provider of a Credit Facility so long as such Credit Facility is in effect, and with respect to any matters required to be reported pursuant to any continuing disclosure agreement with respect to Rule 15(c)(2)(12) of the SEC then in effect, the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through its EMMA web portal, or any successor entity authorized and approved by the Securities and Exchange Commission from time to time to act as a recognized municipal securities repository, and all Holders of Related Bonds who hold \$500,000 or more in principal amount of Related Bonds and request such reports in writing (which written request shall include a certification as to such ownership).

“Reserve Fund” means any operating reserve fund or account established pursuant to a Supplement in connection with the financing of a Capital Addition or otherwise.

“Reserve Fund Credit Facility” means a credit facility (including a reserve fund insurance policy) issued by any bank or national banking association, insurance company or other financial institution and then on deposit in the Debt Service Reserve Fund in lieu of or in partial substitution for cash on deposit therein pursuant to the terms hereof which Reserve Fund Credit Facility shall be rated at the time of deposit into the Debt Service Reserve Fund at least one of the top three rating categories without regard to graduation by S&P, Moody’s or Fitch.

“Responsible Representative” when used with respect to the Master Trustee means, any officer within the corporate trust department of the Master Trustee, who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Master Trust Indenture.

“Restricted Moneys” means the proceeds of any grant, gift, bequest, contribution or other donation (and to the extent subject to the applicable restrictions, the investment income derived from the investment of such proceeds) specifically restricted by the donor or grantor to a special object or purpose inconsistent with the use thereof for the payment of debt service or general operating expenses.

“Revenue Fund” means the Revenue Fund created by Section 3.01 hereof.

“Revenues” means, for any period, revenues, gains and other support from education and general operations and auxiliary enterprises calculated in accordance with the financial statements of the Obligated Group; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member and noncash gains or changes in the valuation of Interest Rate Agreements; provided, however, that the foregoing provisions notwithstanding, no amount shall be added to revenues more than once and provided further that “Revenues” shall exclude Restricted Moneys. In addition, Revenues means all moneys, tuition, fees, rates, receipts, rentals, charges, issues and income received for, received by or derived from or on behalf of any Obligated Group Member, the operation of any Obligated Group Member or any other source whatsoever, including without limitation gifts, bequests, grants, devises, contributions, moneys received from the operation of the business of any Obligated Group Member or the possession of its properties, indirect cost recovery payments under research grant agreements, insurance proceeds or condemnation awards, and all rights to receive the same, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of the same whether now owned or held or hereafter coming into being, but excluding (i) gifts, grants, devises, bequests and contributions designated by the maker to a specific purpose inconsistent with their use for the payment of principal of, premium, if any, and interest on any Obligation or for the payment of operating expenses, (ii) any unrealized gains and losses on investments of any Obligated Group Member, and (iii) any income for which any Obligated Group Member has a contractual or statutory obligation to pay to other Persons (for example, without limitation, amounts collected by any Obligated Group Member in its capacity as agent for others, and sales taxes, use taxes and other taxes collected by any Obligated Group Member but required to be paid to the relevant collection authorities); (iv) all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law, cannot be granted, assigned or pledged hereunder or which would become void or voidable if granted, assigned or pledged hereunder by the Obligated Group Members, or which cannot be granted, pledged or assigned hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, pledged and assigned by the Obligated Group Members and (v) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent.

“Securities Account” means all securities accounts, as that term is defined in the Uniform Commercial Code, of the Members of the Obligated Group.

“SEC” means the United States Securities and Exchange Commission under the Securities Act of 1933, as amended.

“Series 2020 Bonds” means, collectively, the Build NYC Bonds and the PFA Bonds.

“Series 2020 Loan Agreements” means, collectively, the Build NYC Loan Agreement and the PFA Loan Agreement.

“Short Term” when used in connection with Indebtedness, means having an original Maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

“S&P” means S&P Global Ratings and its successors and assigns, and, if such entity 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 Obligated Group Representative, with written notice to the Master Trustee.

“State” means the State of New York.

“Stated Maturity” when used with respect to any Indebtedness or any installment of interest thereon means the last date specified in the instrument evidencing such Indebtedness or such installment of interest as a fixed date on which the principal of such Indebtedness or any installment thereof or the fixed date on which such installment of interest is due and payable.

“Subordinated Indebtedness” means any promissory note, guaranty, lease, contractual agreement to pay money or other obligation the terms of the documents providing for the issuance of which expressly provide that all payments on such indebtedness shall be subordinated to the timely payment of all Obligations, whether currently Outstanding or subsequently issued.

“Subsidy Bonds” means any Related Bonds for which the issuer or conduit borrower is entitled to receive Federal Subsidy Payments directly from the United States Department of Treasury or other federal governmental agency or entity authorized to make such payments under the Code.

“Supplement” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Trust Indenture.

“Supplemental No. 1” means Supplemental Indenture Number 1, dated as of June 1, 2020, between the Obligated Group Representative and the Master Trustee, related to the issuance of the Build NYC Master Trust Note - Series 2020A.

“Supplemental No. 2” means Supplemental Indenture Number 2, dated as of June 1, 2020, between the Obligated Group Representative and the Master Trustee, related to the issuance of the Build NYC Master Trust Note - Series 2020B/C.

“Supplemental No. 3” means Supplemental Indenture Number 3, dated as of June 1, 2020, between the Obligated Group Representative and the Master Trustee, related to the issuance of the PFA Master Trust Note – Series 2020A.

“Tax-Exempt Bonds” means, initially, the Build NYC Series 2020A Bonds and, if issued, the Build NYC Series 2020C Bonds.

“Tax-Exempt Organization” means a Person organized under the laws of the United States of America or any state thereof that is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Testing Date” shall have the meaning ascribed to it in Section 4.20 hereof.

“Threshold Amount” means the greater of (a) 5.00% of Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group, or (b) \$3,000,000 plus an amount equal to \$1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the construction index from its level as of January 1, 2020.

“Trust Estate” has the meaning given such term in the Granting Clauses hereof.

“Unrestricted Contributions” means Contributions which are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions.

SECTION 1.02 COMPLIANCE CERTIFICATES AND REPORTS. Whenever the amount or date of any of the following is a condition to the taking of any action permitted hereby,

(a) Estimated Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any future Fiscal Year shall be established by a certificate or report of a Consultant stating the amount of such estimated item based upon assumptions provided by such Person and stating that such assumptions are, in the opinion of the Consultant, reasonable.

(b) Any of:

(1) Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any prior Fiscal Year or period,

(2) Maximum Annual Debt Service Requirement of any Person, and

(3) principal of and interest on any Indebtedness

shall be established by an Officer's Certificate of the Obligated Group Representative stating the amount of such item and that such amounts have been derived from either the most recent audited or unaudited financial statements of the Obligated Group delivered to the Master Trustee pursuant to Section 4.15 hereof or, for any period other than a prior Fiscal Year, from the internally prepared financial statements of the Obligated Group for such period.

(c) The anticipated date of completion of any construction project of any Person shall be established by an Officer's Certificate of the Obligated Group Representative; and

(d) Securities shall include any amounts invested in marketable securities, whether classified as short term or long term assets.

All calculations required to be made hereunder with respect to the Obligated Group shall be made after elimination of intercompany items on a combined basis. The character or amount of any asset, liability or item of income or expense required to be determined or any consolidation, combination or other accounting computation required to be made for the purposes hereof, shall be determined or made in accordance with generally accepted accounting principles in effect on the date hereof, or at the option of the Obligated Group Representative, at the time in effect (provided that such generally accepted accounting principles are applied consistently with the requirements existing either on the date hereof or at the time in effect) except that assets, liabilities, items of income and expenses of Affiliates which are not included in the Obligated Group shall not be taken into account, and except where such principles are inconsistent with the requirements of this Master Trust Indenture; provided, however, that there shall not be included in any calculation of any item otherwise required to be included in such calculation with respect to any Person which has withdrawn or is withdrawing from the Obligated Group.

SECTION 1.03 FORM OF DOCUMENTS DELIVERED TO MASTER TRUSTEE. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the

exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel or Opinion of Bond Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Trust Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 1.04 ACTS OF HOLDERS OF OBLIGATIONS. (a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Master Trust Indenture to be given or taken by Holders of Obligations may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders of Obligations in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee, and, where it is hereby expressly required, to the Obligated Group Representative. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders of Obligations signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Master Trust Indenture and conclusive in favor of the Master Trustee and the Obligated Group Members, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The ownership of Obligations shall be proved by the Obligation Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Obligation shall bind every future Holder of the same Obligation and the Holder of every Obligation issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Master Trustee or the Obligated Group Members in reliance thereon, whether or not notation of such action is made upon such Obligation.

(e) The Master Trustee may in any instance require further written proof with respect to any of the matters referred to in this Section.

SECTION 1.05 NOTICES, ETC., TO MASTER TRUSTEE AND OBLIGATED GROUP MEMBERS. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Obligations or other document provided or permitted by this Master Trust Indenture to be made upon, given or furnished to, or filed with:

(a) the Master Trustee by any Holder of Obligations or by any specified Person shall be sufficient for every purpose hereunder if actually received by a Responsible Representative of the Master Trustee at 100 William Street, Suite 1850, New York, New York 10038, Attention: David Massa;

(b) the Obligated Group Members by the Master Trustee or by any Holder of Obligations shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, to the Obligated Group Representative addressed to it at St. Francis College, 180 Remsen Street, Brooklyn, New York 11201, or at any other address previously furnished in writing to the Master Trustee by the Obligated Group Representative; or

(c) any Obligated Group Member by the Master Trustee or by any Holder of Obligations shall be sufficient for every purpose hereunder if in writing and mailed, registered or certified first class postage prepaid, to the Obligated Group Member addressed to it at the address specified in the Supplement executed by such Obligated Group Member or at any other address previously furnished in writing to the Master Trustee by such Obligated Group Member.

The Master Trustee shall have the right to accept and act upon written directions or instructions given pursuant to this Master Trust Indenture or any other document relating to the Obligations and delivered using Electronic Means; provided, however, that the Obligated Group Representative shall provide to the Master Trustee an incumbency certificate listing Authorized Representatives with the authority to provide such written directions or instructions (each an "Authorized Officer") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If an Obligated Group Member elects to give the Master Trustee written directions or instructions using Electronic Means and the Master Trustee, pursuant to such written directions or instructions, acts upon such written directions or instructions, the Master Trustee's understanding of such directions or instructions shall be deemed controlling, and the Master Trustee shall be fully protected and indemnified in so acting. The Obligated Group Members each understand and agree that the Master Trustee cannot determine the identity of the actual sender of such written directions or instructions and that the Master Trustee shall be entitled to conclusively presume that such written directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Master Trustee pursuant to this paragraph have been sent by such Authorized Officer. The Obligated Group Members shall each be responsible for ensuring that only Authorized Officers transmit such written directions or instructions to the Master Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Master Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Master Trustee's reliance upon and compliance with such written directions or instructions notwithstanding whether such written directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. Each of the Obligated Group Members agree: (i) to assume all risks arising out of the use of Electronic Means to submit written directions or instructions to the Master Trustee, including without limitation the risk of the Master Trustee acting on unauthorized written directions or instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting written directions or instructions to the Master Trustee and that there may be more secure methods of transmitting written directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of written directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (iv) to notify the Master Trustee in writing immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 1.06 NOTICES TO HOLDERS OF OBLIGATIONS; WAIVER. Where this Master Trust Indenture provides for notice to Holders of Obligations of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Holder of such Obligations, at his address as it appears on the Obligation Register, not later than the latest date, and not earlier than the earliest date, prescribed for the transmission of such notice; provided, however, if notice is permitted by the terms of this Master Trust Indenture to be sent by Electronic Means, the provisions of Section 1.05 hereof shall apply, mutatis mutandis. Where this Master Trust

Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of Obligations shall be filed with the Master Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 1.07 NOTICES TO RATING AGENCIES. If any Related Bonds are then rated by a Rating Agency, the Obligated Group Representative shall give prompt written notice to such Rating Agency and the Master Trustee of any of the following events:

- (a) any Event of Default hereunder;
- (b) the incurrence by any Obligated Group Member of any Funded Indebtedness (however, notice need not be provided for Capitalized Leases where the net present value of the minimum Capitalized Lease payment is less than \$250,000);
- (c) any addition to or withdrawal from the Obligated Group; and
- (d) any Interest Rate Agreement entered into by any Obligated Group Member.

SECTION 1.08 EFFECT OF HEADINGS AND TABLE OF CONTENTS. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.09 SUCCESSORS AND ASSIGNS. All covenants and agreements in this Master Trust Indenture by the Obligated Group Members shall bind their respective successors and assigns, whether so expressed or not.

SECTION 1.10 SEPARABILITY CLAUSE. In case any provision in this Master Trust Indenture or in the Obligations shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

ARTICLE II THE OBLIGATIONS

SECTION 2.01 SERIES AND AMOUNT OF OBLIGATIONS. (a) Obligations shall be issued under this Master Trust Indenture in series created by Supplements permitted hereunder. Each series shall be designated to differentiate the Obligations of such series from the Obligations of any other series. No Obligation issued hereunder shall be secured on a basis senior to other Obligations; provided, however, that the provision of an Interest Rate Agreement, letter or line of credit, standby bond purchase agreement, bond insurance policy or other similar instrument or obligation issued by a financial institution or municipal bond insurer or the establishment of a debt service reserve fund or account for the sole benefit of the Holders of certain Obligations, shall be permitted provided, further, that any Subordinated Indebtedness issued by an Obligated Group Member shall contain a provision to the effect that payment on the Subordinated Indebtedness is subordinate to payment on Obligations issued pursuant to this Master Trust Indenture. The number of series of Obligations that may be created under this Master Trust Indenture is not limited. The aggregate principal amount of Obligations of each series that may be created under this Master Trust Indenture is not limited except as restricted by Supplement and the provisions of Article IV of this Master Trust Indenture.

(b) Any Obligated Group Member proposing to incur Indebtedness, other than the Initial Master Trust Notes, whether evidenced by Obligations issued pursuant to a Supplement or by evidence of

Indebtedness issued pursuant to documents other than this Master Trust Indenture, shall give written notice of its intention to incur such Indebtedness, including in such notice the amount of Indebtedness to be incurred, to the Obligated Group Representative and the other Obligated Group Members. The Obligated Group Representative shall provide the Master Trustee with a copy of any such notice it receives prior to the date such Indebtedness is to be incurred. Any such Obligated Group Member, other than the Obligated Group Representative, proposing to incur such Indebtedness other than the Initial Master Trust Notes, shall obtain the written consent of the Obligated Group Representative, which consent shall be evidenced by an Officer's Certificate of the Obligated Group Representative filed with the Master Trustee. The Initial Master Trust Notes are issued simultaneously with the execution and delivery hereof.

(c) Obligations that are issued to secure payments other than Regularly Scheduled Payments under an Interest Rate Agreement may be secured by an Obligation on parity with other Obligations or constitute Subordinated Indebtedness hereunder. Obligations may adopt by reference the terms of an Interest Rate Agreement. Obligations issued pursuant to this provision (c) do not constitute Indebtedness (unless and to the extent amounts due thereunder are unpaid) and may be incurred without regard to provisions of this Master Trust Indenture restricting or limiting the issuance or incurrence of Indebtedness, and shall not be treated as Outstanding hereunder and shall be excluded for purposes of determining whether the Holders of the requisite amount of Obligations Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Master Trust Indenture (including a request, demand, authorization, notice, consent or waiver pursuant to the remedy provisions of Article VIII or an amendment pursuant to Article IX of this Master Trust Indenture).

(d) All Obligations issued and outstanding under this Master Trust Indenture are and shall be joint and several obligations of each Obligated Group Member, and are and shall be equally and ratably secured by this Master Trust Indenture except to the extent specifically provided otherwise as permitted by this Master Trust Indenture. All Obligations issued and outstanding under this Master Trust Indenture are and shall be equally and ratably secured by the pledge of the Trust Estate of the Obligated Group, except to the extent specifically provided otherwise as permitted by this Master Trust Indenture. This Master Trust Indenture is intended to be a security agreement pursuant to the Uniform Commercial Code that creates a valid and binding security interest in (a) the Revenues; (b) all moneys, securities and investments held in the funds and accounts created under, and pursuant to the terms of, Article III hereof; and (c) all Proceeds of any and all property described in clause (a) through (c), in each case, in favor of the Master Trustee, as security for payment of the Obligations, enforceable by the Master Trustee in accordance with the terms hereof. As may be required under the applicable provisions of each Supplement and as further security for the performance of its obligations hereunder, any Member shall execute, deliver and record, concurrently with the issuance of any Obligations, the Related Mortgage and such supplements thereto as shall be necessary in order to create a valid and enforceable first lien and security interest in favor of the Master Trustee in the Mortgage Property.

SECTION 2.02 APPOINTMENT OF OBLIGATED GROUP REPRESENTATIVE.

Each Obligated Group Member, by becoming an Obligated Group Member, irrevocably appoints the Obligated Group Representative as its agent and true and lawful attorney in fact and grants to the Obligated Group Representative (a) full and exclusive power to execute Supplements authorizing the issuance of Obligations or series of Obligations, (b) full and exclusive power to execute Obligations for and on behalf of the Obligated Group and each Obligated Group Member, (c) full and exclusive power to execute Supplements on behalf of the Obligated Group and each Obligated Group Member pursuant to Sections 9.01 and 9.02 hereof, and (d) full power to prepare, or authorize the preparation of, any and all documents, certificates or disclosure materials reasonably and ordinarily prepared in connection with the issuance of Obligations hereunder, or Related Bonds associated therewith, and to execute and deliver such items to the appropriate parties in connection therewith.

SECTION 2.03 EXECUTION AND AUTHENTICATION OF OBLIGATIONS. All Obligations shall be executed for and on behalf of the Obligated Group and the Obligated Group Members by an Authorized Representative of the Obligated Group Representative. The signature of any such Authorized Representative may be manual or may be mechanically or photographically reproduced on the Obligation. If any Authorized Representative whose signature appears on any Obligation ceases to be such Authorized Representative before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such Authorized Representative had remained in office until such delivery. Each Obligation shall be manually authenticated by a Responsible Representative of the Master Trustee, without which authentication no Obligation shall be entitled to the benefits hereof.

The Master Trustee's authentication certificate shall be substantially in the following form:

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

This Obligation is one of the Obligations referred to in the aforementioned Master Trust Indenture.

Date of Authentication: _____, _____,
Master Trustee

By: _____,
Authorized Signatory

SECTION 2.04 SUPPLEMENT CREATING OBLIGATIONS. The Obligated Group Representative (on behalf of the Obligated Group Members) and the Master Trustee may from time to time enter into a Supplement in order to create Obligations hereunder. Each Supplement authorizing the issuance of Obligations shall specify and determine the date of the Obligations, the principal amount thereof, the purposes for which such Obligations are being issued, the form, title, designation, and the manner of numbering or denominations, if applicable, of such Obligations, the date or dates of Maturity of such Obligations, the rate or rates of interest (or method of determining the rate or rates of interest) and premium, if any, borne by such Obligations, the arrangement for place and medium of payment, and any other provisions deemed advisable or necessary, and any of the foregoing terms may be incorporated into such Supplement by reference. Each Obligation shall be issuable, shall be in registered form, shall be transferable and exchangeable and shall be subject to redemption as specified in this Master Trust Indenture and in the Supplement. Any Obligation to be held by a Related Bond Trustee in connection with the issuance of Related Bonds shall be in the principal amount equal to the aggregate principal amount of such Related Bonds and shall be registered in the name of the Related Bond Trustee as assignee of the issuer of the Related Bonds. Unless an Obligation has been registered under the Securities Act of 1933, as amended (or similar legislation subsequently enacted), each such Obligation shall be endorsed with a legend which shall read substantially as follows: "This [describe Obligation] has not been registered under the Securities Act of 1933 or any state securities law (or any such similar subsequent legislation);" provided, however, such legend shall not be required if the Master Trustee is provided with an Opinion of Counsel to the effect that such legend is not required.

A Supplement and the Obligations issued thereunder may contain, as applicable, provisions relating to bond insurance or other forms of credit or liquidity enhancement, as well as any and all compatible provisions necessary in order to make the Obligations meet the requirements of an issuer of any credit or liquidity enhancement. Similarly, a Supplement may provide for Obligations to be issued in fixed or variable rate forms, as the case may be, with such tender and redemption provisions as may be deemed necessary for the issuance thereof and provide for the execution of required documents necessary for such

purposes, and may specifically subordinate payment, remedies and any other provisions of the Obligations issued thereunder to the provisions of any other Obligations.

SECTION 2.05 CONDITIONS TO ISSUANCE OF OBLIGATIONS HEREUNDER.

With respect to Obligations created hereunder, simultaneously with or prior to the execution, authentication and delivery of Obligations pursuant to this Master Trust Indenture:

(a) the Obligated Group Representative (on behalf of the Obligated Group Members) and the Master Trustee shall have entered into a Supplement as provided in Section 2.04 hereof, and all requirements and conditions to the issuance of such Obligations set forth in the Supplement and in this Master Trust Indenture, including, without limitation, the provisions of Sections 4.16 and 9.01 hereof (provided that such provisions shall not be applicable to the Initial Master Trust Notes), shall have been complied with and satisfied, as provided in an Officer's Certificate of the Obligated Group Representative, a copy of which shall be delivered to the Master Trustee; and

(b) the Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (i) registration of such Obligations under the Securities Act of 1933, as amended, and qualification of this Master Trust Indenture or the Supplement under the Trust Indenture Act of 1939, as amended, is not required, or, if such registration or qualification is required, that all applicable registration and qualification provisions of said acts have been complied with, and (ii) this Master Trust Indenture, as amended and supplemented by such Supplement, and such Obligations are valid, binding and enforceable obligations of each of the Obligated Group Members in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors' rights generally, usual equity principles and other customary exclusions.

SECTION 2.06 LIST OF HOLDERS OF OBLIGATIONS. The Master Trustee shall keep on file at its designated corporate trust office the Obligation Register which shall consist of a list of the names and addresses of the Holders of all Obligations. Upon receipt of written notice delivered in advance to the Master Trustee, the Obligation Register may be inspected by any Obligated Group Member, the Holder of any Obligation or the Authorized Representative thereof; provided that the ownership by such Holder and the authority of any such Responsible Representative shall be evidenced to the satisfaction of the Master Trustee, and provided further that the Master Trustee may conclusively rely on such evidence, and shall be fully protected and indemnified in so relying.

SECTION 2.07 OPTIONAL AND MANDATORY REDEMPTION. Obligations of each series may be subject to optional and mandatory redemption in whole or in part and may be redeemed prior to Maturity, as provided in the Supplement creating such series, but not otherwise.

SECTION 2.08 MUTILATED, DESTROYED, LOST AND STOLEN OBLIGATIONS. If (a) any mutilated Obligation is surrendered to the Master Trustee, or the Master Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Obligation, and (b) there is delivered to the Master Trustee indemnity satisfactory to it so as to save it and the Obligated Group Representative harmless, then, in the absence of notice to the Obligated Group Representative or the Master Trustee that such Obligation has been acquired by a bona fide purchaser, the Obligated Group Representative shall execute and upon its written request the Master Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Obligation, a new Obligation of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Obligation has become or is about to become due and payable, the Obligated Group Representative in its discretion may, instead of issuing a new Obligation, pay such Obligation.

Upon the issuance of any new Obligation under this Section, the Obligated Group Representative and the Master Trustee shall require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Master Trustee) in connection therewith.

Every new Obligation issued pursuant to this Section in lieu of any destroyed, lost or stolen Obligation shall constitute an original additional contractual obligation of the maker thereof, whether or not the destroyed, lost or stolen Obligation shall be at any time enforceable by anyone, and shall be entitled to all the benefits and security of this Master Trust Indenture equally and proportionately with any and all other Obligations duly issued hereunder except to the extent specifically provided otherwise are permitted by this Master Trust Indenture.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Obligations.

SECTION 2.09 CANCELLATION. All Obligations surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Master Trustee, be delivered to the Master Trustee and, if not already canceled or required to be otherwise delivered by the terms of the Supplement authorizing the series of Obligations of which such Obligation is a part, shall be promptly canceled and disposed of by it, in accordance with its then customary practices. The Obligated Group Representative may at any time deliver to the Master Trustee for cancellation any Obligations previously authenticated and delivered hereunder, which the Obligated Group Representative may have acquired in any manner whatsoever, and all Obligations so delivered shall be promptly canceled and disposed of by the Master Trustee, in accordance with its then customary practices. No Obligations shall be authenticated in lieu of or in exchange for any Obligations canceled and disposed of as provided in this Section, except as expressly permitted by this Master Trust Indenture. All canceled Obligations held by the Master Trustee shall be treated by the Master Trustee in accordance with its then current document retention policies.

ARTICLE III FUNDS AND ACCOUNTS

SECTION 3.01 REVENUE FUND. (a) If an Event of Default under Section 7.01(a) of this Master Trust Indenture shall occur and continue for a period of five (5) days, the Master Trustee shall establish a fund to be known as the “Revenue Fund” and each Obligated Group Member shall deposit with the Master Trustee all Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any mortgage, Lien, charge, encumbrance, pledge or other security interest granted, created, assumed, incurred or existing in accordance with the provisions of Section 4.19 of this Master Trust Indenture) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no Event of Default under Section 7.01(a) of this Master Trust Indenture or in the payment of any other Obligations then exists. At the issuance of the Initial Master Trust Notes, the Obligated Group Representative shall have entered into a deposit account control agreement for the hereinafter described operating account granting the Master Trustee a security interest in said operating account.

(b) On or before the fifth Business Day preceding the end of each month in which any Obligated Group Member has made payments to the Master Trustee for deposit into the Revenue Fund, the Master Trustee shall withdraw and pay or deposit from the amounts on deposit in the Revenue Fund the following amounts in the order indicated:

First: to the payment of all amounts due the Master Trustee under this Master Trust Indenture and each Related Bond Trustee and Related Issuer under a Related Bond Indenture;

Second: to an operating account designated by the Obligated Group Representative (which shall be subject to the Lien of this Master Trust Indenture), the amount necessary to pay the Expenses due or expected to become due in the month in which such transfer is made, all as set forth in the then-current Annual Budget;

Third: to the payment of the amounts then due and unpaid upon the Obligations, other than Obligations constituting Subordinated Indebtedness, for principal (and premium, if any) and interest and any other amounts due under the Obligations, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Obligations for principal (and premium, if any) and interest and any other amounts due under the Obligations, respectively, and payments due under any Interest Rate Agreement that do not constitute Subordinated Indebtedness;

Fourth: to restore any deficiency in the Debt Service Reserve Fund or a Related Bonds Debt Service Reserve Fund (in each case, on a pro rata basis based on the principal amount of the Related Bonds outstanding);

Fifth: to the payment of the amounts then due and unpaid upon the Obligations constituting Subordinated Indebtedness for principal (and premium, if any) and interest and any other amounts due under the Obligations, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Obligations for principal (and premium, if any) and interest and any other amounts due under the Obligations, respectively;

Sixth: to the payment of all other amounts due under any Interest Rate Agreement that constitute Subordinated Indebtedness; and

Seventh: to the Obligated Group Representative for the benefit of the Obligated Group.

(c) The money deposited to the Revenue Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and in Section 7.08 hereof. Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee shall promptly invest and reinvest such amounts in accordance with Section 3.02 hereof. All such investments shall have a maturity not greater than 91 days from date of purchase.

(d) Except as described in Section 3.01(a) above, each Obligated Group Member shall be entitled to full possession and use of its Revenues.

(e) The Master Trustee shall establish and maintain so long as any Obligations entitled to the benefit thereof are outstanding a separate fund to be known as the "Debt Service Reserve Fund" and therein an account to be known as the "Composite Reserve Account". The Master Trustee shall hereinafter establish and maintain any separate accounts in the Debt Service Reserve Fund as may be set forth in a Supplement, which accounts may be for the benefit of one or more Obligations, as provided in the applicable Supplement. If, on any date on which principal of or interest on an Obligation entitled to the benefits of the Debt Service Reserve Fund or account therein is to be paid to the Holder thereof, the moneys on deposit under the Related Bond Indenture are insufficient to pay the principal of or interest on such Related Bonds, then the Master Trustee shall use moneys on deposit in the applicable account therein to make up any deficiencies by paying money on deposit in the applicable account therein to the Holder of the applicable Obligation(s) to make up any deficiencies. In the event that moneys are withdrawn from the Debt Service Reserve Fund to make up any such deficiencies, the Master Trustee shall notify the Obligated Group Representative of the amount so withdrawn. In the case of any such withdrawal, the Obligated

Group agrees to restore the amount on deposit in the Debt Service Reserve Fund or account therein to an amount equal to the Debt Service Reserve Fund Requirement promptly and in any event in not more than 12 substantially equal consecutive monthly installments beginning with the first day of the first month after the month in which the withdrawal was made or with respect to an account other than the Composite Reserve Account, as otherwise provided by the Supplement related thereto.

Any future Supplement to this Master Trust Indenture creating an Obligation shall provide whether such Obligation will be entitled to the benefit of the Composite Reserve Account or to any separate account therein (if any). If so entitled, such Supplement shall provide for the deposit of such amount as may be necessary to cause the amount on deposit in the Composite Reserve Account or the separate account therein to equal the Debt Service Reserve Fund Requirement on all Obligations outstanding and specified to be so entitled to the benefit of the Composite Reserve Account or to such separate account. Notwithstanding the foregoing, Obligations are not required to be secured by the Composite Reserve Account or any account therein, but Obligations may be secured by an account in the Debt Service Reserve Fund and Related Bonds may also be secured by a Related Bonds Debt Service Reserve Fund.

Except as otherwise provided by a Supplement with regard to an account other than the Composite Reserve Account, investments in the Debt Service Reserve Fund or account therein shall be valued by the Master Trustee at least twice per year, upon receipt of written direction from the Obligated Group Representative, on the basis of fair market value (which valuation shall take into account any accrued and unpaid interest) (each such occasion, a "Valuation Date"). Pursuant to, and upon receipt of such written direction, the Master Trustee shall thereafter provide written notice of any deficiency in the Debt Service Reserve Fund or account, at the sole cost and expense of the Obligated Group. Except as otherwise provided by a Supplement with regard to an account other than the Composite Reserve Account, the funds in the Debt Service Reserve Fund may be invested in Permitted Investments as directed in writing by the Obligated Group Representative and the Debt Service Reserve Fund Requirement may be satisfied by the deposit of an irrevocable letter of credit, if so authorized. The Master Trustee may conclusively rely upon and be fully protected in relying upon the Obligated Group Representative's written direction as to such Permitted Investments. Except as otherwise provided by a Supplement with regard to an account other than the Composite Reserve Account, Reserve Fund Credit Facilities, surety bonds, guaranteed investment contracts and other investment agreements constituting "Permitted Investments" in the Debt Service Reserve Fund or an irrevocable letter of credit, shall be valued at the amount which is available to be drawn or paid thereunder. Except as otherwise provided by a Supplement with regard to an account other than the Composite Reserve Account, if on any Valuation Date the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of a decline in the market value of investments in the Debt Service Reserve Fund, the Obligated Group shall deposit in the Debt Service Reserve Fund the amount necessary to restore the amount on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement within not more than one hundred eighty (180) days following the date on which it receives notice of such deficiency from the Master Trustee. Except as otherwise provided by a Supplement with regard to an account other than the Composite Reserve Account, if the amount on deposit in the Debt Service Reserve Fund is more than the Debt Service Reserve Fund Requirement, the amount of such excess shall, if the Obligated Group so directs in writing, (i) be transferred to the Related Bond Trustee to the extent of the amount required to be deposited for debt service for the next required principal payment date on the Related Bonds occurring within 13 months of such transfer and any excess shall be deposited in the interest fund and used to pay interest on Related Bonds or (ii) used for any other corporate purpose, provided, however, the Master Trustee shall have received an Opinion of Bond Counsel (which Opinion, including the scope, form, substance and other aspects thereof are acceptable to the Master Trustee) to the effect that the foregoing use will not adversely affect, with respect to any Related Bonds the interest on which is tax-exempt, the exclusion of interest on such Related Bonds from the gross income of the owners thereof for federal income tax purposes.

SECTION 3.02 INVESTMENT OF FUNDS. Any moneys held by the Master Trustee hereunder, including any fund or account established pursuant to any Supplement, except for deposits to the Debt Service Reserve Fund Requirement pursuant to Section 3.01(e) hereof, shall be invested or reinvested by the Master Trustee in Permitted Investments upon the receipt of an Obligated Group Representative Request (upon which the Master Trustee is entitled to conclusively rely). Any such investments shall be held by and under the control of the Master Trustee and shall mature, or be redeemable at such times as it is anticipated by the Obligated Group Representative that moneys from the particular fund will be required for the purposes of this Master Trust Indenture. For the purpose of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the obligor under such investment is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. Any Permitted Investments may be purchased from or sold to the Master Trustee or any of its respective affiliates and may charge its customary fees for such trades, including cash sweep account fees, provided that a schedule of such fees is provided in advance to the Obligated Group Representative. Ratings of Permitted Investments shall be determined at the time of purchase of such Permitted Investments and without regard to ratings subcategories. The Master Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments. Confirmations of investments are not required to be issued by the Master Trustee for each month in which a monthly statement is rendered. The Master Trustee shall keep or cause to be kept proper and detailed records containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys held under this Master Trust Indenture. The Master Trustee shall make copies of such records available to the Obligated Group Representative, upon its reasonable written request.

The Obligated Group acknowledges that to the extent the regulations of the United States of America Office of the Comptroller of the Currency or other applicable regulatory entity grant the Obligated Group the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Obligated Group specifically waives receipt of such confirmations to the extent permitted by law. The Master Trustee will, upon receipt of a Request from the Obligated Group Representative, furnish or make available to the Obligated Group cash transaction statements that include detail for all investment transactions by the Master Trustee hereunder.

SECTION 3.03 ALLOCATION AND TRANSFERS OF INVESTMENT INCOME. Any investments in any fund or account shall be held by and or under the control of the Master Trustee and shall be deemed at all times a part of the fund or account from which the investment was made. Any loss resulting from such investments shall be charged to such fund or account. Any interest or other gain from any fund or account from any investment or reinvestment pursuant to Section 3.02 hereof on deposit in such fund or account (other than the Revenue Fund) or such other account or funds designated by Supplement on each January 1, April 1, July 1 and October 1 shall be transferred to the Obligated Group Representative upon its written request, except if an Event of Default has occurred and is continuing, in which case, such interest or other gain shall be transferred to the Revenue Fund if so established.

SECTION 3.04 MASTER TRUSTEE RELIEVED FROM RESPONSIBILITY. The Master Trustee shall be fully protected in relying upon any Obligated Group Representative Request relating to investments in any fund, and shall not be liable for any losses, fees, taxes or other charges on investments, reinvestments, liquidation of investments or prepayment penalties as a result of complying with any such Obligated Group Representative Request, and shall not be required to ascertain any facts with respect to such Request. In the event that the Master Trustee is not provided written direction as to investments in any fund, the Master Trustee is entitled to hold funds on deposit therein uninvested.

ARTICLE IV COVENANTS OF THE OBLIGATED GROUP MEMBERS

SECTION 4.01 TITLE TO TRUST ESTATE. The Obligated Group warrants that it has good and indefeasible title to the Trust Estate free and clear of any liens, charges, encumbrances, security interests and adverse claims whatsoever except for the encumbrances permitted by Section 4.19 hereof. The Obligated Group Representative represents that it has the right to mortgage the Mortgaged Property and to enter into the Related Mortgage and will warrant and defend to the Master Trustee, the title and the Lien of this Master Trust Indenture and the Related Mortgage as a valid and enforceable mortgage thereon and Lien on the Trust Estate, including the Mortgaged Property, and a security interest therein subject to Permitted Encumbrances. This Master Trust Indenture constitutes a valid and subsisting Lien on and security interest in the Trust Estate, all in accordance with the terms hereof, subject to Permitted Encumbrances.

SECTION 4.02 FURTHER ASSURANCES. The Obligated Group Members will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Master Trust Indenture and to subject the Trust Estate to the Liens and security interests granted hereunder, as needed.

SECTION 4.03 RECORDING AND FILING. The Obligated Group Representative shall cause the Related Mortgage and all other instruments necessary to create and/or preserve the Liens and security interests granted hereunder and all amendments and supplements thereto and substitutions therefor and any initial financing statements, amendments thereto and continuation statements to be recorded, filed, re-recorded and refiled in such manner and in such places as are necessary to protect the Lien on and security interests in the Trust Estate and will pay all such recording, filing, re-recording and refiling taxes, fees, reasonable expenses, including legal fees, and other charges. Additionally, the Obligated Group hereby authorizes and directs the Master Trustee at any time and from time to time to, at the expense and written direction of the Obligated Group, file any financing statements, amendments thereto and continuation statements with or without the signature of the Obligated Group Members as authorized by applicable law, as applicable to all or part of the Property for the purpose of securing the Lien on and security interest in the Trust Estate created pursuant to this Master Trust Indenture and the Related Mortgage. Notwithstanding anything to the contrary contained herein, the Master Trustee shall not be responsible for any initial or subsequent filings of any financing statements or the information contained therein (including the exhibits thereto) or any continuation statements, the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such filings, and unless the Master Trustee shall have been notified by the Obligated Group in writing that any such initial filing or description of collateral was or has become defective, the Master Trustee shall be fully protected in relying on such initial filing and descriptions in filing any financing or continuation statement(s) pursuant to this Section. For purposes of such filings, each Obligated Group Member agrees to furnish any information requested by the Master Trustee promptly upon request by the Master Trustee. The Obligated Group hereby irrevocably constitutes and appoints the Master Trustee and any officer or agent of the Master Trustee, with full power of substitution, as its true and lawful attorneys in fact with full irrevocable power and authority in the place and stead of the Obligated Group or in the Obligated Group's own name to execute in the Obligated Group's name any documents and otherwise to carry out the purposes of this Section 4.03, to the extent that the Obligated Group's authorization above is not sufficient. To the extent permitted by law, the Obligated Group hereby ratifies all acts said attorneys in fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable. Furthermore, the Related Mortgage shall also constitute a "fixture filing" for the purpose of Article 9 of the New York Uniform Commercial Code against all of the Trust Estate which is or to become fixtures. Information concerning the security interest herein granted may be obtained at the addresses of the Obligated Group Representative as set forth in Section 1.05 of this Master Trust Indenture. Each Obligated Group Member shall promptly notify the Master Trustee of any change in its organizational identification number or address.

SECTION 4.04 PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST. The Obligated Group Members will duly and punctually pay the principal of (and premium, if any) and interest on the Obligations in accordance with the terms of the Obligations and this Master Trust Indenture.

Each Obligated Group Member hereby jointly and severally unconditionally agrees to the full and timely payment of the principal of, and premium, if any, and interest on all Outstanding Obligations which such Person has not created or otherwise made (and on which such Person is not otherwise primarily liable) in accordance with the terms thereof, whether at Stated Maturity, declaration of acceleration, call for redemption or otherwise. Such agreement shall not be affected, modified or impaired upon the happening from time to time of any event, other than the payment of such Obligations (or provision therefor), including, without limitation, any of the following, whether or not with notice to, or the consent of, each Obligated Group Member:

(a) the waiver, compromise, settlement, release or termination by any Person of the obligations evidenced by such Obligations or any covenant or security in support thereof;

(b) the failure to give notice to any guarantor of the occurrence of an event of default under the terms and provisions of this Master Trust Indenture or any agreement under which such Obligations are created, assumed, guaranteed or secured;

(c) any failure, omission, or delay on the part of the Master Trustee or the Holder of such Obligations to enforce, assert or exercise any right, power or remedy conferred on the Master Trustee or such Holder in this Master Trust Indenture or any other agreement under which such Obligations are created, assumed, guaranteed or secured;

(d) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement under bankruptcy or similar laws, composition with creditors or readjustment of, or other similar proceedings affecting any such guarantor or any other obligor on Obligations;

(e) the invalidity, irregularity, illegality, unenforceability, or lack of value of, or any defect in any of the Obligations so guaranteed or any collateral security therefor; or

(f) to the extent permitted by law, any event or action that would, in the absence of this Section, result in the release or discharge by operation of laws of such guarantor from the performance or observance of any obligation, covenant, or agreement contained in this Master Trust Indenture.

SECTION 4.05 PAYMENT OF TAXES AND OTHER CLAIMS. Each Obligated Group Member will pay or discharge or cause to be paid or discharged before the same shall become delinquent, (a) all taxes, assessments, and other governmental charges lawfully levied or assessed or imposed upon it or upon its income, profits, or property, and (b) all lawful claims for labor, materials, and supplies which, if unpaid, might by law become a lien upon its property; provided, however, that no such Person shall be required to pay and discharge or cause to be paid and discharged any such tax, assessment, governmental charge, or claim to the extent that the amount, applicability, or validity thereof shall currently be contested in good faith by appropriate proceedings, such Person shall have established and shall maintain adequate reserves on its books for the payment of the same and such property is not jeopardized as a result of nonpayment.

SECTION 4.06 MAINTENANCE OF PROPERTIES. Each Obligated Group Member will cause all its properties used or useful in the conduct of its business to be maintained and kept in good

condition, repair, and working order and supplied with all necessary equipment, ordinary wear and tear, casualty, condemnation, and acts of God excepted. Each Obligated Group Member will cause to be made all necessary repairs, renewals, replacements, betterments, and improvements thereof, all as in the judgment of the Obligated Group Representative may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent any such Person from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of such Person (and in the opinion of the Governing Body of such Person if the property involved is any substantial part of the properties of such Person taken in the aggregate), desirable in the conduct of its business and not disadvantageous in any material respect to the Holders of the Obligations.

SECTION 4.07 CORPORATE EXISTENCE; STATUS OF OBLIGATED GROUP.

(a) Subject to Section 5.01 hereof, each Obligated Group Member will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory), and franchises; provided, however, that no Person shall be required to preserve any right or franchise if the Governing Body of such Person shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Holders of the Obligations.

(b) The Obligor's exact legal name is correctly set forth at the beginning of this Master Trust Indenture, and the Obligor is an organization of the type specified in the first paragraph of this Master Trust Indenture. The Obligor is formed or incorporated in or organized under the laws of the State of New York. No Obligated Group Member will cause or permit any change to be made in its name or identity unless the Obligated Group Representative shall have first notified the Master Trustee in writing of such change at least 30 days prior to the effective date of such change, and shall have first taken all action required by applicable law for the purpose of perfecting or protecting the Lien and security interest of the Master Trustee created hereby or by the Related Mortgage. The Obligor's principal place of business and chief executive office, and the place where the Obligor keeps its books and records, including recorded data of any kind or nature, regardless of the medium or recording, including software, writings, plans, specifications and schematics, has been for the preceding two months and will continue to be the address of the Obligor set forth in Section 1.05 hereof (unless the Master Trustee is notified in writing at least 30 days prior to the date of such change).

(c) The Obligor covenants and agrees to take all action necessary to preserve its status as an organization described in Section 501(c)(3) of the Code.

SECTION 4.08 PRESERVATION OF QUALIFICATIONS. Each Obligated Group Member will not allow any permit, right, license, franchise or privilege so long as it is necessary for the ownership or operation of the Trust Estate to lapse or be forfeited. The Obligor will maintain its accreditation by the Middle States Association of Schools and Colleges or its successors as a body that accredits colleges and universities or, if none, another nationally recognized body or bodies that accredit colleges and universities, such Obligated Group Member shall use its commercially reasonable efforts to remain fully qualified as a provider of educational services and a participant in such program; provided, however, that no Obligated Group Member shall be required to maintain any such qualification if (a) the Governing Body of such Person shall determine that the maintenance of such qualification is not in the best economic interest of such Person, and (b) at least 30 days prior to the discontinuance of such qualification, such Person shall provide a brief explanation of the basis for such determination to each Required Information Recipient.

SECTION 4.09 ADDITIONS TO FACILITIES; REMOVAL OF FIXTURES. Any additions, improvements and extensions to the Facilities and repairs, renewals and replacements thereof, including (without limitation) any capital improvements, shall upon their acquisition become part of the Facilities. All costs arising from construction or alterations of any improvements erected on, under or over the Land and the purchase of all equipment located on the Land have been paid in full. The Obligated Group Members shall not remove or permit to be removed from the Facilities any Fixtures presently or in the future owned by any Member unless such Fixtures have been replaced with similar Fixtures of equal or greater utility and value.

SECTION 4.10 INSURANCE. Each Member shall maintain, or cause to be maintained at its sole cost and expense, insurance with respect to its Property, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated and as is adequate to protect its Property and operations. Except in the case of self-insurance or a multi-provider risk retention group described below, all insurance provided shall be maintained with an insurer rated “A-” or higher by A.M. Best & Company or by S&P; provided, however if insurance at such rating level is not available or is not available at commercially reasonable rates as certified by an Insurance Consultant engaged by the Obligated Group Representative, the Obligated Group Representative shall procure such insurance as certified by such Insurance Consultant to be at commercially reasonable premiums and terms and at a rating level that is reasonable in relation to the premium. The Master Trustee shall be named as an additional insured under all such policies. The Obligated Group Representative shall annually review the insurance each Member maintains as to whether such insurance is customary and adequate. In addition, the Obligated Group Representative shall, at the time of issuance of the first series of Obligations, at least once every Fiscal Year with respect to commercial insurance or a multi-provider risk retention group and at least once every Fiscal Year with respect to self-insurance (commencing with its Fiscal Year ending June 30, 2021), cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee within 120 days of the applicable Fiscal Year which indicates that the insurance then being maintained by the Members meets the standards described above. The Obligated Group Representative shall cause copies of its review, or the certificates of the Insurance Consultant or Insurance Consultants, as the case may be, to be delivered promptly to the Master Trustee. The Obligated Group or any Member may self-insure if the Insurance Consultant or Insurance Consultants determine(s) that such self-insurance meets the standards set forth in the first sentence of this paragraph and is prudent under the circumstances.

Naming of the Master Trustee as an insured or additional insured under any insurance policy, or the furnishing to the Master Trustee of information relating thereto, shall not impose upon the Master Trustee any responsibility or duty to approve the form of such policy, the level of coverage, compliance with the requirements of the Master Trust Indenture, the qualifications of the company issuing same or any other matters relating thereto.

SECTION 4.11 RESERVED

SECTION 4.12 DAMAGE OR DESTRUCTION. Each Member agrees to notify the Master Trustee in writing immediately in the case of the destruction of its Facilities or any portion thereof as a result of fire or other casualty, or any damage to such Facilities or portion thereof as a result of fire or other casualty, the Net Proceeds of which are estimated to exceed the Threshold Amount. If such Net Proceeds do not exceed the Threshold Amount, such Net Proceeds may be paid directly to the Member suffering such casualty or loss. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months after receipt thereof (or as soon as such 24 months as is otherwise practical) to (a) repair, replace, reconstruct, restore or improve the damaged or destroyed Facilities, (b) acquire or construct additional capital assets for any one or more Members

(provided, if the damaged or destroyed Facilities were financed with proceeds of any Related Bonds, the Related Bond Trustee shall receive an Opinion of Bond Counsel to the effect that the use of the Net Proceeds in such manner will not adversely affect, with respect to any Related Bonds the interest on which is tax-exempt, the exclusion of interest on such Related Bonds from the gross income of the owners thereof for federal income tax purposes), or (c) repay the principal portion of any Indebtedness incurred by any one or more Members of the Obligated Group to acquire, construct, repair, replace, reconstruct, restore or improve capital assets or refinance Indebtedness incurred for such purpose, in accordance with the terms of such Indebtedness and any related Supplement.

In the event such Net Proceeds exceed the Threshold Amount, the Member suffering such casualty or loss shall within 12 months after the date on which the Net Proceeds are finally determined, elect by written notice to the Master Trustee one of the following three options:

(a) Option A - Repair and Restoration. Such Member may elect to replace, repair, reconstruct, restore or improve any of the Facilities of the Obligated Group or acquire additional Facilities for the Obligated Group (including repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds). In such event an amount equal to the Net Proceeds of any insurance relating thereto shall be deposited, when received, with the Master Trustee and such Member shall proceed forthwith to replace, repair, reconstruct, restore or improve Facilities of the Obligated Group or to acquire or construct additional Facilities and will apply the Net Proceeds of any insurance relating to such damage or destruction received from the Master Trustee to the payment or reimbursement of the costs of such replacement, repair, reconstruction, restoration, improvement, acquisition or construction or to the repayment of such Indebtedness. So long as an Event of Default has not occurred and is continuing hereunder, any Net Proceeds of insurance relating to such damage or destruction received by the Master Trustee shall be released from time to time by the Master Trustee to such Member upon the receipt by the Master Trustee of the Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such replacement, repair, reconstruction, restoration, improvement, acquisition or construction and certifying that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, improvement, acquisition or construction. It is further understood and agreed that in the event such Member shall elect this Option A, such Member shall complete the replacement, repair, reconstruction, restoration, improvement, acquisition or construction of the Facilities, whether or not the Net Proceeds of insurance received for such purposes are sufficient to pay for the same.

(b) Option B - Prepayment of Obligations. Such Member may elect to have all of the Net Proceeds payable as a result of such damage or destruction applied to the prepayment of the Obligations. In such event such Member shall, in its written notice of election to the Master Trustee, direct the Master Trustee in writing to apply such Net Proceeds, when and as received, to the prepayment of Obligations on a pro rata basis among all Obligations Outstanding (except Subordinated Indebtedness unless no other Obligations are Outstanding).

(c) Option C - Partial Restoration and Partial Prepayment of Obligations. Such Member may elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group (including the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds) with the remainder of such Net Proceeds to be applied to prepay Obligations on a pro rata basis among all Obligations Outstanding, in which event such Net Proceeds to be used for replacement, repair, reconstruction, restoration, improvement, acquisition or construction shall be applied as set forth in subparagraph (a) of this Section 4.12 and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) of this Section.

Notwithstanding the foregoing, the proceeds of business interruption insurance are not subject to the provisions of this Section.

SECTION 4.13 CONDEMNATION. The Master Trustee shall cooperate fully with the Members, at the expense and at the written direction of the Members, in the handling and conduct of any prospective or pending condemnation proceedings with respect to their Facilities or any part thereof. Each Member hereby irrevocably assigns to the Master Trustee, as its interests may appear, all right, title and interest of such Member in and to any Net Proceeds of any award, compensation or damages payable in connection with any such condemnation or taking, or payment received in a sale transaction consummated under threat of condemnation (any such award, compensation, damages or payment being hereinafter referred to as an “award”), which exceeds the Threshold Amount. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as hereinafter provided. If such Net Proceeds do not exceed the Threshold Amount, such Net Proceeds may be paid to the Member in question. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months of the receipt thereof to (a) restore, replace, reconstruct, improve or repair the condemned Facilities, (b) acquire or construct additional capital assets for any one or more Members (provided, if the condemned Facilities were financed with proceeds of any Related Bonds, the Related Bond Trustee shall receive an Opinion of Bond Counsel to the effect that the use of the Net Proceeds in such manner will not adversely affect, with respect to any Related Bonds the interest on which is tax-exempt, the exclusion of interest on such Related Bonds from the gross income of the owners thereof for federal income tax purposes), or (c) repay the principal portion of Indebtedness incurred by one or more Members of the Obligated Group to acquire, construct, repair, replace, reconstruct, restore or improve capital assets or to refinance Indebtedness incurred for such purpose, in accordance with the terms of such Indebtedness and any related Supplement.

In the event such Net Proceeds exceed the Threshold Amount, the Member in question shall within 12 months after the date on which the Net Proceeds are finally determined elect by written notice of such election to the Master Trustee one of the following three options:

(a) Option A - Repairs and Improvements. The Member may elect to use the Net Proceeds of the award for restoration or replacement of or repairs and improvements to the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group (including the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds). In such event, so long as an Event of Default has not occurred and is continuing hereunder, such Member shall have the right to receive such Net Proceeds from the Master Trustee from time to time upon the receipt by the Master Trustee of the Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such restoration, replacement, repair, improvement, acquisition or construction and certifying that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such restoration, replacement, repair, improvement, acquisition and construction.

(b) Option B - Prepayment of Obligations. Such Member may elect to have such Net Proceeds of the award applied to the prepayment of the Obligations. In such event such Member shall, in its written notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations on a pro rata basis among all Obligations Outstanding.

(c) Option C - Partial Restoration and Partial Prepayment of Obligations. Such Member may elect to have a portion of such Net Proceeds of the award applied to the repair, replacement, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds, with the remainder of such Net Proceeds to be applied to the prepayment of Obligations

on a pro rata basis among all Obligations Outstanding, in which event such Net Proceeds to be used for repair, replacement, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) of this Section 4.13 and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) of this Section.

SECTION 4.14 OTHER PROVISIONS WITH RESPECT TO NET PROCEEDS.

Amounts received by the Master Trustee in respect of any Net Proceeds shall, at the Request of the Obligated Group Representative, be deposited with the Master Trustee in a special trust account and be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Representative in Permitted Investments subject to any Member's right to receive the same (or to have the same applied) pursuant to Sections 4.12 and 4.13 hereof. If any Member elects to proceed under either Section 4.12(a) or (c) hereof or 4.13(a) or (c) hereof, any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Obligations on a pro rata basis among all Obligations Outstanding.

SECTION 4.15 FINANCIAL STATEMENTS, ETC. (a) The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with generally accepted accounting principles consistently applied except as may be disclosed in the notes to the audited financial statements referred to in subparagraph (b) below. To the extent that generally accepted accounting principles would require consolidation of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with generally accepted accounting principles which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Section 4.15 so long as: (i) supplemental information in sufficient detail to separately identify the information with respect to the Members of the Obligated Group is delivered to the Required Information Recipients with the audited financial statements; (ii) such supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements delivered to the Required Information Recipients and, in the opinion of the Accountant, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole; and (iii) such supplemental information is used for the purposes hereof or for any agreement, document or certificate executed and delivered in connection or pursuant to this Master Trust Indenture. At least fifteen (15) days prior to the first day of each Fiscal Year, the Obligated Group Representative will prepare the Annual Budget for the following Fiscal Year. If the Obligated Group Representative fails to prepare the Annual Budget for any Fiscal Year, the Annual Budget for the preceding Fiscal Year will continue until the Annual Budget is prepared for the remainder of the applicable Fiscal Year. The Annual Budget shall be provided to each Required Information Recipient. The Members shall also keep and maintain copies of all written contracts, leases and other agreements affecting the Property.

(a) The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Representative will file with the Required Information Recipients a summary of each Consultant's final report or counsel's opinion required to be prepared under the terms of this Master Trust Indenture.

(b) The Obligated Group Representative shall give prompt written notice of a change of Accountants by the Obligated Group to the Master Trustee and each Related Bond Trustee. The notice shall state (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former Accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which the Accountants claimed would have caused them to refer to the disagreement in a report on the disputed matter, if it was not resolved to their satisfaction; and (iii) such additional information relating thereto as such Related Bond Trustee or the Master Trustee may reasonably request.

(c) Without limiting the foregoing, each Member will permit, upon reasonable notice (except in the case of emergency), the Master Trustee or any such Related Bond Trustee (or such persons as they may designate) to visit and inspect, at the expense of such Person, its Property and to discuss the affairs, finances and accounts of the Obligated Group with its officers and independent accountants, all at such reasonable times and locations and as often as the Master Trustee or such Related Bond Trustee may reasonably desire; provided that neither the Master Trustee nor any Related Bond Trustee shall have any duty to perform such inspection.

(d) The Obligated Group Representative may designate a different Fiscal Year for the Members of the Obligated Group by delivering written notice to the Master Trustee designating the first and last day of such new Fiscal Year and whether or not there will be any interim fiscal period (the "Interim Period") of a duration of greater than or less than 12 months preceding such new Fiscal Year. The Members covenant that they will furnish to the Master Trustee and each Related Bond Trustee, as soon as practicable after they are available, but in no event more than 150 days after the last day of such Interim Period, a financial report for such Interim Period certified by Accountants selected by the Obligated Group Representative covering the operations of the Obligated Group for such Interim Period and containing a combined balance sheet as of the end of such Interim Period and a combined statement of changes in fund balances and changes in financial position for such Interim Period and a combined statement of revenues and expenses for such Interim Period, showing in each case in comparative form the financial figures for the comparable period in the preceding Fiscal Year, together with a separate written statement of the Accountants preparing such report a statement that such Accountants have obtained no knowledge of any default by any Member in the fulfillment of any of the terms, covenants, provisions or conditions of this Master Trust Indenture, or if such Accountants shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof (but such Accountants shall not be liable directly or indirectly to anyone for failure to obtain knowledge of any default).

(e) Delivery of such reports, information and documents described in this Section 4.15 to the Master Trustee is for informational purposes only, and the Master Trustee's receipt thereof shall not constitute notice to it or knowledge (in each case, constructive or actual) of any information contained therein or determinable from information contained therein, including compliance by the Obligated Group or the Members with any of its or their covenants hereunder, as to which the Master Trustee is entitled to rely exclusively on Officer's Certificates.

SECTION 4.16 PERMITTED ADDITIONAL INDEBTEDNESS. So long as any Obligations are outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Obligations) other than:

(a) Funded Indebtedness, if prior to incurrence thereof or, if such Funded Indebtedness was incurred in accordance with another subsection of this Section 4.16 and any Member wishes to have such Indebtedness classified as having been issued under this subsection (a), prior to such classification, there is delivered to the Master Trustee:

(1) an Officer's Certificate to the effect that for the most recent Fiscal Year for which audited financial statements have been filed with the Master Trustee as required by this Master Trust Indenture, the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group was not less than 1.10:1; or

(2) (A) an Officer's Certificate to the effect that for the most recent Fiscal Year or four consecutive quarters for which audited financial statements have been filed with the Master Trustee as required by this Master Trust Indenture, the Historical Debt

Service Coverage Ratio of the Obligated Group was not less than 1.10:1; and (B) a written report of a Consultant to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group will be not less 1.15:1 for the first full Fiscal Year following the later of the estimated completion of the development, marketing, acquisition, construction, rehabilitation, renovation or replacement facilities being paid for with the proceeds of such additional Funded Indebtedness, or the incurrence of Funded Indebtedness for other purposes; provided that such report shall include forecast balance sheets, statements of revenues and expenses and statements of changes in financial position for such Fiscal Year and a statement of the relevant assumptions upon which such forecasted statements are based, which financial statements must indicate that sufficient revenues and cash flow could be generated to pay the operating expenses of the Obligated Group's proposed and existing Facilities and the debt service on the Obligated Group's other existing Indebtedness during such Fiscal Year.

(b) Completion Funded Indebtedness in an amount of no more than 10% of the Funded Indebtedness originally incurred to finance the acquisition, construction, remodeling, renovation, improvement, extension, alteration, relocation, enlargement, expansion, modification, replacement or equipping of the Facilities, if there is delivered to the Master Trustee: (i) an Officer's Certificate of the Member for whose benefit such Indebtedness is being issued stating that at the time the original Funded Indebtedness for the Facilities to be completed was incurred, such Member had reason to believe that the proceeds of such Funded Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such Facilities, (ii) a statement of an independent architect or an expert setting forth the amount estimated to be needed to complete the Facilities, and (iii) an Officer's Certificate of such Member stating that the proceeds of such Completion Funded Indebtedness to be applied to the completion of the Facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated loans from Affiliates or bank loans (including letters or lines of credit) and federal or state grants reasonably expected to be available, will be in an amount not less than the amount set forth in the statement of an independent architect or other expert, as the case may be, referred to in (ii) above.

(c) Funded Indebtedness for the purpose of refunding (whether in advance or otherwise) any Outstanding Funded Indebtedness if prior to the incurrence thereof an Officer's Certificate of a Member is delivered to the Master Trustee certifying that, taking into account the issuance of the proposed Funded Indebtedness and the application of the proceeds thereof and any other funds available to be applied to such refunding, that either (i) the Maximum Annual Debt Service Requirement of the Obligated Group will not be increased by more than 20%, or (ii) such refunding will result in a present value savings in the Obligated Group's overall Debt Service Requirements.

(d) Short Term Indebtedness (other than accounts payable under subsection (h) hereof), in a total principal amount which at the time incurred does not, together with the principal amount of all other such Short Term Indebtedness of the Obligated Group then outstanding under this subsection (d) but excluding the principal payable on all Funded Indebtedness during the next succeeding 12 months and also excluding such principal to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increments to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal, exceed 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available; provided, however, that for a period of 20 consecutive calendar days in each Fiscal Year the total amount of such Short Term Indebtedness of the Obligated Group outstanding under this subsection (d) shall be not more than 5% of the Revenues of the Obligated Group during the preceding Fiscal Year plus such additional

amount as the Obligated Group Representative certifies in an Officer's Certificate is (i) attributable to Short Term Indebtedness incurred to offset a temporary delay in the receipt of funds due from third party payors, and (ii) in the minimum amount reasonably practicable taking into account such delay. For the purposes of this subsection, Short Term Indebtedness shall not include overdrafts to banks to the extent there are immediately available funds of the Obligated Group sufficient to pay such overdrafts and such overdrafts are incurred and corrected in the normal course of business.

(e) Balloon Indebtedness if:

(1) (A) there is in effect at the time such Balloon Indebtedness is incurred a binding commitment (including without limitation letters or lines of credit or insurance) which may be subject only to commercially reasonable contingencies by a financial institution or bond insurer or surety generally regarded as responsible, to provide financing sufficient to pay the principal amount of such Balloon Indebtedness coming due in each consecutive 12 month period in which 25% or more of the original principal amount of such Balloon Indebtedness comes due; and (B) the conditions set forth in subsection (a) above are met for any Fiscal Year in which 25% or more of the original principal amount of such Balloon Indebtedness comes due when it is assumed that (1) the portion of Balloon Indebtedness coming due in such Fiscal Year matures over 30 years from the date of issuance of the Balloon Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years, or (2) the portion of Balloon Indebtedness coming due in such Fiscal Year matures according to its actual principal amortization schedule, bears interest on the unpaid balance at the Projected Rate, but this clause (2) shall only be used if the amortization of all Indebtedness of the Obligated Group outstanding, when the Balloon Indebtedness debt service being calculated is calculated according to this subsection (e), varies no more 10% per year; or

(2) the aggregate principal amount of all Balloon Indebtedness issued pursuant to this subsection (e) does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available, and the total amount of all Indebtedness outstanding which was issued pursuant to the provisions of this subsection (e)(2), and subsections (d), (f)(3), (l) and (n) shall not exceed 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available; or

(3) the Balloon Indebtedness to be incurred has a remaining term of five years or greater beginning in such Fiscal Year, and

(A) the Member incurring such Balloon Indebtedness establishes in an Officer's Certificate filed with the Master Trustee an amortization schedule for such Balloon Indebtedness, which amortization schedule shall provide for payments of principal and interest for each Fiscal Year that are not less than the amounts required to make any actual payments required to be made in such Fiscal Year by the terms of such Balloon Indebtedness;

(B) such Member agrees in such Officer's Certificate to deposit each Fiscal Year with a bank or trust company (pursuant to an agreement between such Member and such bank or trust company) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Balloon

Indebtedness during such Fiscal Year (other than from amounts on deposit with such bank or trust company) which deposit shall be made prior to any such required actual payment during such Fiscal Year if the amounts so on deposit are intended to be the source of such actual payments; and

(C) the Member certifies in such Officer's Certificate that the conditions described in subsection (a) above are met with respect to such Balloon Indebtedness when it is assumed that such Balloon Indebtedness is actually payable in accordance with such amortization schedule.

(f) Put Indebtedness if:

(1) the amount of such Put Indebtedness does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available and the conditions set forth in subsection (a) above are met with respect to such Put Indebtedness when it is assumed that (A) such Put Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years commencing with the next succeeding Put Date, or (B) such Put Indebtedness bears interest at the Projected Rate and is payable according to its actual principal amortization schedule, but this subsection (1) shall only be used if the debt service of all Indebtedness of the Obligated Group outstanding, when the Put Indebtedness debt service being calculated is calculated according to this subsection (1), varies no more than 10% per year;

(2) (A) there is in effect at any time such Put Indebtedness is incurred a binding commitment (including without limitation letters or lines of credit or insurance) which may be subject only to commercially reasonable contingencies by a financial institution or bond insurer or surety generally regarded as responsible, to provide financing sufficient to pay the principal amount of such Put Indebtedness on any Put Date, and (B) the conditions set forth in subsection (a) are met for any Fiscal Year in which 25% or more of the original principal amount of such Put Indebtedness may come due when it is assumed that (i) the portion of Put Indebtedness which may come due in such Fiscal Year matures over 30 years from the date of issuance of the Put Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years, or (ii) the portion of Put Indebtedness which may come due in such Fiscal Year matures according to its actual principal amortization schedule, bears interest on the unpaid balance at the Projected Rate, but this subsection (ii) shall only be used if the amortization of all Indebtedness of the Obligated Group outstanding, when the Put Indebtedness debt service being calculated is calculated according to this subsection (ii), varies more than 10% per year; or

(3) the aggregate principal amount of all Put Indebtedness issued pursuant to this subsection (f) does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available, and the total amount of all Indebtedness outstanding which was issued pursuant to the provisions of this subsection (3), and subsections (d), (e)(2), (l) and (n) shall not exceed 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available.

(g) Liabilities for contributions to self-insurance or shared or pooled risk insurance programs required or permitted to be maintained under this Master Trust Indenture.

(h) Indebtedness consisting of accounts payable incurred in the ordinary course of business or other Indebtedness not incurred or assumed primarily to assure the repayment of money borrowed or credit extended which Indebtedness is incurred in the ordinary course of business, including but not limited to deferred obligations for the refund or repayment of tuition, or retainage payable in connection with a construction project.

(i) Indebtedness incurred in connection with a sale or pledge of accounts receivable with or without recourse by any Member consisting of an obligation to repurchase all or a portion of such accounts receivable upon certain conditions, provided that the principal amount of such Indebtedness permitted hereby shall not exceed the aggregate sale price of such accounts receivable received by such Member, without Holder Consent.

(j) Non-Recourse Indebtedness, without limit.

(k) Extendable Indebtedness if the conditions set forth in subsection (a) above are met when it is assumed that (i) such Indebtedness bears interest at the Projected Rate and is amortized on a level debt service basis over a term equal to the remaining term of the Extendable Indebtedness, or (ii) such Extendable Indebtedness bears interest at the Projected Rate and is payable according to its actual principal amortization schedule, but only if the debt service of all Indebtedness of the Obligated Group outstanding, when the Extendable Indebtedness debt service being calculated is calculated according to this subsection (ii), varies no more than 10% per year.

(l) Subordinated Indebtedness, without limit.

(m) Commitment Indebtedness, without limit.

(n) Indebtedness the principal amount of which at the time incurred, together with the aggregate principal amount of all other Indebtedness then outstanding which was issued pursuant to the provisions of this subsection (n) and which has not been subsequently reclassified as having been issued under another subsection of this Section 4.16, does not exceed 10% of the Revenues of the Obligated Group for the latest preceding Fiscal Year for which financial statements reported upon by independent certified public accountants are available; provided, however, that the total amount of all Indebtedness outstanding which was issued pursuant to the provisions of subsections (d), (e)(2), (f)(3), (l) and this subsection (n) shall not exceed 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available.

It is agreed and understood by the parties hereto that various types of Indebtedness may be incurred under any of the above referenced subsections with respect to which the tests set forth in such subsection are met and need not be incurred under only a subsection specifically referring to such type of Indebtedness (e.g., Balloon Indebtedness and Put Indebtedness may be incurred under subsection (a) above if the tests therein are satisfied).

Each Member covenants that Indebtedness of the type permitted to be incurred under subsection (h) above will not be allowed to become overdue for a period in excess of that which is in the ordinary course of business, based on applicable industry standards and taking into consideration the size and type of the facility, without being contested in good faith and by appropriate proceedings.

Each Member covenants that prior to, or as soon as reasonably practicable after, the incurrence of Indebtedness by such Member for money borrowed or credit extended, or the equivalent thereof, after the date of issuance of the Initial Master Trust Notes, it will deliver to the Master Trustee an Officer's Certificate which identifies the Indebtedness incurred, identifies the subsection of this Section 4.16 pursuant to which such Indebtedness was incurred, demonstrates compliance with the provisions of such subsection and attaches a copy of the instrument evidencing such Indebtedness; provided, however, that this requirement shall not apply to Indebtedness incurred pursuant to subsection (g) or (h) of this Section 4.16.

The provisions of this Master Trust Indenture notwithstanding, the Members of the Obligated Group may not incur any Additional Indebtedness the proceeds of which will be used for the acquisition of real Property or the construction of any Facilities unless the right, title and interest in any assets to be financed or refinanced with the proceeds of such Additional Indebtedness and the real estate upon which such assets will be located have been mortgaged and assigned to the Master Trustee pursuant to the Related Mortgage or pursuant to a mortgage in substantially the form of the Related Mortgage and such assets and real estate are not subject to any other Lien except for Permitted Encumbrances.

SECTION 4.17 CALCULATION OF DEBT SERVICE AND DEBT SERVICE COVERAGE. The various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness required under certain provisions of this Master Trust Indenture shall be delivered to the Master Trustee in an Officer's Certificate and made in a manner consistent with that adopted in Section 4.16 hereof and in this Section 4.17. In the case of Balloon or Put Indebtedness issued pursuant to subsection (b), (e), (f) or (m) of Section 4.16 hereof, unless such Indebtedness is reclassified pursuant to this Section 4.17 as having been issued pursuant to another subsection of Section 4.16 hereof, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness for future periods shall be calculated on the assumption that such Indebtedness is being issued simultaneously with such calculation. With respect to Put Indebtedness, if the option of the Holder to require that such Indebtedness be paid, purchased or redeemed prior to its Stated Maturity date, or if the requirement that such Indebtedness be paid, purchased or redeemed prior to its Stated Maturity date (other than at the option of such Holder and other than pursuant to any mandatory sinking fund or any similar fund), has expired or lapsed as of the date of calculation, such Put Indebtedness shall be deemed payable in accordance with its terms, not taking into account such put option.

In determining the amount of debt service payable on Indebtedness in the course of the various calculations required under certain provisions of this Master Trust Indenture, if the terms of the Indebtedness being considered are such that interest thereon for any future period of time is expressed to be calculated at a varying rate per annum, a formula rate or a fixed rate per annum based on a varying index, then for the purpose of making such determination of debt service, interest on such Indebtedness for such period (the "Determination Period") shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the average of the rate of interest (calculated in the manner in which the rate of interest for the Determination Period is expressed to be calculated) which was in effect (or, with respect to Indebtedness that is being incurred or that has not been outstanding for at least 12 full calendar months, would have been in effect had such Indebtedness been outstanding) on the last date of each of the 12 full calendar months immediately preceding the month in which such calculation is made; provided that if the index or other basis for calculating such interest was not in existence for at least 12 full calendar months next preceding the date of calculation, the rate of interest for such period shall be deemed to be the average rate of interest that was in effect on the last day of each full calendar month next preceding the date of calculation for which such index was in existence; and if the average rate of interest borne by such Indebtedness for such shorter period cannot be calculated, the rate of interest for such period shall be deemed to be the Projected Rate. No debt service shall be deemed payable upon the exercise by a Holder of Extendable Indebtedness of the option to tender such Indebtedness for payment.

Obligations issued to secure Indebtedness permitted to be incurred under Section 4.16 hereof shall not be treated separately as Additional Indebtedness from the Indebtedness secured thereby in a manner which would require such Indebtedness to be included more than one time in the calculations performed under this Master Trust Indenture.

No debt service shall be deemed payable with respect to Commitment Indebtedness until such time as funding occurs under the commitment which gave rise to such Commitment Indebtedness. From and after such funding, the amount of such debt service shall be calculated in accordance with the actual amount required to be repaid on such Commitment Indebtedness and the actual interest rate and amortization schedule applicable thereto. No Additional Indebtedness shall be deemed to arise when any funding occurs under any such commitment or any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as obtained prior to such renewal. In addition, no Additional Indebtedness shall be deemed to arise when Indebtedness which bears interest at a variable rate of interest is converted to Indebtedness which bears interest at a fixed rate or the method of computing the variable rate on such Indebtedness is changed or the terms upon which Indebtedness, if Put Indebtedness, may be or is required to be tendered for purchase are changed, if such conversion or change is in accordance with the provisions applicable to such variable rate Indebtedness or Put Indebtedness in effect immediately prior to such conversion or change.

Balloon Indebtedness incurred as provided under subsection (b) or (n) of Section 4.16 hereof, unless reclassified pursuant to this Section 4.17, shall be deemed to be payable in accordance with the assumptions set forth in subsection (e)(1)(B) of Section 4.16 hereof. Put Indebtedness incurred as provided under subsection (b) or (n) of Section 4.16 hereof, unless reclassified pursuant to this Section 4.17, shall be deemed to be payable in accordance with the assumptions set forth in subsection (f)(1) of Section 4.16 hereof.

For the purpose of determining whether any particular Guaranty may be incurred, it shall be assumed that 100% of the Indebtedness guaranteed is Funded Indebtedness of the guarantor under such Guaranty. For the purpose of calculating any historical Debt Service Requirements, the guarantor's Debt Service Requirements under a Guaranty shall be deemed to be the actual amount paid on such Guaranty by the guarantor. For any other purpose, a guarantor shall be considered liable only for 20% of the annual debt service requirement on the Indebtedness guaranteed; provided, however, if the guarantor has been required by reason of its guaranty to make a payment in respect of such Indebtedness within the immediately preceding 24 months, the guarantor shall be considered liable for 100% of the annual debt service requirement on the Indebtedness guaranteed.

For purposes of the various calculations required under this Master Trust Indenture for Capitalized Leases, the Capitalized Rentals under a Capitalized Lease at the time of such calculation shall be deemed to be the principal payable thereon.

In the case of Indebtedness related to any Subsidy Bonds, debt service payable shall be computed net of Federal Subsidy Payments scheduled to be received by the issuer of such Subsidy Bonds or the Obligor in connection with such Subsidy Bonds during the applicable time period; provided, however, that to avoid double counting in such instance, the Federal Subsidy Payments shall be excluded from the calculation of Revenues in any related tests.

Each Member may elect to have Indebtedness issued pursuant to one provision of Section 4.16 hereof, including without limitation subsection (n) of Section 4.16 hereof, reclassified as having been incurred under another provision of Section 4.16 hereof, by demonstrating compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision including the certification of any applicable Projected

Rate. From and after such demonstration, such Indebtedness shall be deemed to have been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

Anything herein to the contrary notwithstanding, any portion of any Indebtedness of any Member for which an Interest Rate Agreement has been obtained or will be obtained simultaneously with the issuance of such Indebtedness by such Member shall be deemed to bear interest for the period of time that such Interest Rate Agreement is in effect at a net rate which takes into account the interest payments made by such Member on such Indebtedness and the Regularly Scheduled Payments made or received by such Member on such Interest Rate Agreement; provided that the long term credit rating of the provider of such Interest Rate Agreement (or any guarantor thereof) is in one of the three highest rating categories of any Rating Agency (without regard to any refinements of gradation of rating category by numerical modifier or otherwise) or is at least as high as that of the Obligated Group. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account an Interest Rate Agreement, any payments (regularly scheduled, termination or otherwise) made by a Member on such Interest Rate Agreement shall be excluded from Expenses and any payments (regularly scheduled, termination or otherwise) received by a Member on such Interest Rate Agreement shall be excluded from Revenues, in each case, for all purposes of this Master Trust Indenture.

A revolving line of credit or line of credit may be deemed to be fully drawn on the date of issuance and amortized in accordance with such agreement or if no amortization schedule is provided under such agreement or if it would be Balloon Indebtedness, then it shall be amortized in accordance with the assumption set forth in subsection (e)(1)(B) of Section 4.16 hereof.

SECTION 4.18 SALE OR LEASE OF PROPERTY. Each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including without limitation any involuntary disposition) of Property (either real or personal property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property:

(a) in return for other Property of equal or greater value and usefulness (if such value is estimated to be greater than \$25,000 it shall be evidenced by an independent appraisal of such Property obtained in the manner provided for under the definition of “Current Value” herein);

(b) in the ordinary course of business consistent with past practice and upon fair and reasonable terms;

(c) to any Person, if prior to such sale, lease or other disposition there is delivered to the Master Trustee an Officer’s Certificate of a Member stating that, in the judgment of the signer, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property;

(d) from a Member to another Member; provided that no portion of any Facilities financed with proceeds of any Related Bonds shall be transferred by a Member of the Obligated Group to any other Member unless the Related Bond Trustee has received an Opinion of Bond Counsel to the effect that such transfer will not adversely affect, with respect to any Related Bonds the interest on which is tax-exempt, the exclusion of interest on such Related Bonds from the gross income of the owners thereof for federal income tax purposes;

(e) upon fair and reasonable terms no less favorable to the Member than would be obtained in a comparable arm's length transaction;

(f) to any Person if such Property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on the Obligations; or

(g) in connection with the Permitted Transfer.

For purposes of this Section 4.18, payments by the Obligated Group of any development, marketing, operating, or other subordinated fees that have been deferred from the year in which they were originally due as a result of subordination will not be treated as a disposition of Property.

In connection with any sale, lease or other disposition of Property, to the extent the Member of the Obligated Group receives Property in return for such sale, lease or disposition, the Property which is sold, leased or disposed of shall be treated, for purposes of the provisions of this Section 4.18, as having been transferred in satisfaction of the provisions of subsection (a) above to the extent of the fair market value of the Property received by the Member of the Obligated Group. The Member shall be required, however, to satisfy the conditions contained in one of the other provisions of this Section 4.18 with respect to the remaining value, if any, of such Property in excess of the fair market value of the Property received by the Member in return therefor prior to any such sale, lease or other disposition.

The rendering of any service, the making of any loan or gift, the extension of any credit or any other transaction, with any Affiliate shall be permitted if there is compliance with any of subsections (a) through (g) above or if such transaction is pursuant to the reasonable requirements of such Member's activities and upon fair and reasonable terms no less favorable to it than would obtain in a comparable arm's length transaction with a person not an Affiliate.

Upon Request of the Obligated Group Representative accompanied by an Officer's Certificate certifying that the conditions precedent for the disposition of such property set forth in this Section 4.18 (other than the condition precedent set forth in Section 4.18(d) above) have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such property only and the lien of this Master Trust Indenture shall be released by the Master Trustee as to such property in due form at the expense of the Obligated Group Members.

SECTION 4.19 LIENS ON PROPERTY. (a) Each Member covenants that it will not create or permit to be created or remain and, at its cost and expense, promptly discharge or terminate all Liens on its Property or any part thereof which are not Permitted Encumbrances.

(b) Subsection (a) notwithstanding, a Lien on Property of any Member securing Indebtedness shall be classified a Permitted Encumbrance (as provided in clause (b) of the definition thereof) and therefore be permitted if:

(1) such Lien secures Non-Recourse Indebtedness; or

(2) (A) after giving effect to such Lien and all other Liens classified as Permitted Encumbrances under this subsection (2)(A), the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property of the Obligated Group which is Encumbered is not more than 3.00% of the value of all of the Property of the Obligated Group (calculated on the same basis as the value of the Encumbered

Property), and (B) the conditions described in Section 4.16(a) are met for allowing the incurrence of one dollar of additional Funded Indebtedness.

SECTION 4.20 LIQUIDITY COVENANT. The Obligated Group covenants that it will calculate the Days Cash on Hand of the Obligated Group as of June 30 and December 31 of each Fiscal Year, commencing with June 30, 2020 (each such date being a “Testing Date”). The Obligated Group shall deliver an Officer’s Certificate setting forth such calculation as of June 30 to the Master Trustee not less than 45 days after such June 30, and include such calculation as of December 31 in the Officer’s Certificate delivered pursuant to Section 4.15 hereof.

Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 150 Days Cash on Hand (the “Liquidity Requirement”).

If the Days Cash on Hand as of any Testing Date is less than the Liquidity Requirement, the Obligated Group Representative shall, within 30 days after delivery of the Officer’s Certificate disclosing such deficiency, deliver an Officer’s Certificate approved by a resolution of the Governing Body of the Obligated Group Representative to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to raise the level of Days Cash on Hand to the Liquidity Requirement for future Testing Dates.

If the Obligated Group has not raised the level of Days Cash on Hand to the Liquidity Requirement by the next Testing Date immediately subsequent to delivery of the Officer’s Certificate required in the preceding paragraph, the Obligated Group Representative shall, within 30 days after receipt of the Officer’s Certificate disclosing such deficiency, select a Consultant in accordance with Section 4.21 hereof to make recommendations with respect to the tuition rates, fees and charges of the Obligated Group and the Obligated Group’s methods of operation and other factors affecting its financial condition in order to increase Days Cash on Hand to the Liquidity Requirement for future Testing Dates. A copy of the Consultant’s report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is actually engaged. Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law.

Notwithstanding any other provision of this Master Trust Indenture, failure of the Obligated Group to achieve the required Liquidity Requirement for any Testing Date shall not constitute an Event of Default under this Master Trust Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan and follows each recommendation contained in such plan or Consultant’s report to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law.

SECTION 4.21 APPROVAL OF CONSULTANTS. (a) If at any time the Members of the Obligated Group are required to engage a Consultant under Sections 4.11 or 4.20 hereof, such Consultant shall be engaged in the manner set forth in this Section 4.21.

(b) Upon selecting a Consultant as required under the provisions of this Master Trust Indenture, the Obligated Group Representative will notify the Master Trustee in writing of such selection. The Master Trustee shall, as soon as practicable but in no case longer than five (5) Business Days after receipt of notice, notify the Holders of all Obligations Outstanding under this Master Trust Indenture of such selection. Such notice (which shall be provided by the Obligated Group Representative) shall (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged including a description of the covenant(s) of this Master Trust Indenture that

require the Consultant to be engaged, and (iii) state that the Holder of the Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Holder submits an objection to the selected Consultant in writing to the Master Trustee within fifteen (15) days of the date that the notice is sent to the Holders. No later than (2) two Business Days after the end of the 15-day objection period, the Master Trustee shall notify the Obligated Group Representative of the number of objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Obligations have consented or been deemed to have consented to the selection of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Consultant within three (3) Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Obligations Outstanding have objected to the Consultant selected, the Obligated Group Representative shall select another Consultant, which may be engaged upon compliance with the procedures of this Section 4.21.

(c) When the Master Trustee notifies the Holders of Obligations of such selection, the Master Trustee will also request any Related Bond Trustee to send a notice containing the information required by subparagraph (b) above to the owners of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of an Obligation securing such Related Bonds, consent or object to the selection of the Consultant in accordance with the response of the owners of such Related Bonds. If 66.6% or more in aggregate principal amount of the owners of the Related Bonds have consented or been deemed to have consented to the selection of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Consultant within three (3) Business Days. If 33.4% or more in aggregate principal amount of the owners of the Related Bonds outstanding have objected to the Consultant selected, the Obligated Group Representative shall select another Consultant which may be engaged upon compliance with the procedures of this Section 4.21.

The 15-day notice period described in (b) above may be extended by the Master Trustee in order to permit each Related Bond Trustee to give the owners of the Related Bonds fifteen (15) days to respond to the notice given by the Related Bond Trustee. By acceptance of an Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of this Section 4.21.

SECTION 4.22 COMPLIANCE WITH APPLICABLE LAWS. Each Obligated Group Member agrees to observe, conform and comply, and to cause its tenants to observe, conform and comply, with all federal, state, county, municipal and other governmental or quasi-governmental laws, rules, regulations, ordinances, codes, requirements, covenants, conditions, orders, licenses, permits, approvals and restrictions, including without limitation, Environmental Laws and the Americans with Disabilities Act of 1990 (collectively, the “Legal Requirements”), now or hereafter affecting all or any part of their Property, its occupancy or the business or operations now or hereafter conducted thereon and the personalty contained therein, within such time as required by such Legal Requirements. Each Obligated Group Member represents and warrants that it has caused the Property to be designed, and the Property currently is, in compliance with all Legal Requirements applicable to the Property.

SECTION 4.23 ENVIRONMENTAL MATTERS. Each Obligated Group Member represents, warrants, covenants and agrees as follows:

(a) Neither such Member nor the Land or any occupant thereof is in violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority pertaining to any Environmental Law. Such Member shall not cause or permit the Land to be in violation of, or do anything which would subject the Land to any remedial obligations under, any Environmental Law, and shall promptly notify the Master Trustee in writing of any existing, pending or threatened investigation or inquiry by any governmental authority in connection with any Environmental Law. In addition, each Member shall provide the Master Trustee with copies of any and all material written communications with

any governmental authority in connection with any Environmental Law, concurrently with such Member's giving or receiving of same.

(b) Such Member has taken all steps necessary to determine and has determined that there has been no release, spill, discharge, leak, disposal or emission (individually a "Release" and collectively, "Releases") of any Regulated Chemical, hazardous material, hazardous substance or hazardous waste, including gasoline, petroleum products, explosives, toxic substances, solid wastes and radioactive materials (collectively, "Hazardous Substances") at, upon, under or within the Land. The use which such Member or any other occupant of the Facilities makes or intends to make of the Facilities will not result in a Release of any Hazardous Substances on or to the Land. During the term of this Master Trust Indenture, such Member shall take all steps necessary to determine whether there has been a Release of any Hazardous Substances on or to the Land and if such Member finds a Release has occurred, the Members shall remove or remediate the same promptly upon discovery at its sole cost and expense.

(c) The Facilities have never been used by the present or previous owners and/or operators, nor will be used in the future, to refine, produce, store, handle, transfer, process, transport, generate, manufacture, heat, treat, recycle or dispose of Hazardous Substances.

(d) The Facilities: (i) are being and have been operated in compliance with all Environmental Laws, and all permits required thereunder have been obtained and complied with in all respects; and (ii) do not have any Hazardous Substances present excepting small quantities of petroleum and chemical products, in proper storage containers, that are necessary for the construction or operation of the business of the Members and its tenants, and the usual waste products therefrom ("Permitted Substances").

(e) Such Member will and will cause its tenants to operate the Facilities in compliance with all Environmental Laws and, other than Permitted Substances, will not place or permit to be placed any Hazardous Substances on or in the Facilities.

(f) No lien has been attached to or threatened to be imposed upon the Facilities, and there is no basis for the imposition of any such lien based on any governmental action under Environmental Laws. Neither the Members nor any other person has been, is or will be involved in operations at the Facilities which could lead to the imposition of environmental liability on the Members, or on any subsequent or former owner of the Facilities, or the creation of an environmental lien on the Land. In the event that any such lien is filed, the Members shall, within (30) days from the date that a Member is given notice of such lien (or within such shorter period of time as is appropriate in the event that steps have commenced to have the Facilities sold), either: (i) pay the claim and remove the lien from the Land; or (ii) furnish a cash deposit, bond or other security satisfactory in form and substance to the Master Trustee in an amount sufficient to discharge the claim out of which the lien arises.

SECTION 4.24 REQUIRED NOTICES. The Obligated Group Representative shall notify the Master Trustee within three (3) days of: (a) receipt of any notice from any governmental or quasi-governmental authority relating to the structure, use or occupancy of the Facilities or alleging a violation of any Legal Requirement; (b) a substantial change in the occupancy or use of all or any part of the Facilities; (c) receipt of any notice from the holder of any lien or security interest in all or any part of the Facilities; (d) commencement of any litigation affecting or potentially affecting the financial ability of the Obligated Group or the value of the Facilities; (e) a pending or threatened condemnation of all or any part of the Land; (f) a fire or other casualty causing damage to all or any part of the Facilities; (g) receipt of any notice with regard to any Release of Hazardous Substances (as such terms are defined in Section 4.23 hereof) or any other environmental matter affecting the Facilities or any Member's interest therein; (h) receipt of any request for information, demand letter or notification of potential liability from any entity relating to potential responsibility for investigation or clean-up of Hazardous Substances on the Land or at

any other site owned or operated by any Member; (i) receipt of any notice from any tenant of all or any part of the Facilities alleging a default, failure to perform or any right to terminate its lease or to set-off rents; or (j) receipt of any notice of the imposition of, or of threatened or actual execution on, any lien on or security interest in all or any part of the Facilities.

ARTICLE V

CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER

SECTION 5.01 MERGER, CONSOLIDATION, SALE OR CONVEYANCE. (a) Each Member agrees that it will not merge into, or consolidate with, one or more corporations which are not Members, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member, unless:

(1) Any successor corporation to such Member (including without limitation any purchaser of all or substantially all the Property of such Member) is a corporation organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Master Trustee an appropriate instrument containing the agreement of such successor corporation to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on all Outstanding Obligations according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Master Trust Indenture to be kept and performed by such Member;

(2) Immediately after such merger or consolidation, or such sale or conveyance, no Member would be in default, after the giving of any applicable notice and the lapse of any applicable period, in the performance or observance of any covenant or condition of any documents delivered in connection with any Indebtedness including, without limitation, the Related Bond Indenture, the Related Loan Agreement and Credit Facilities, or this Master Trust Indenture;

(3) Assuming that any Indebtedness of any successor or acquiring corporation is Indebtedness of such Member and that the Revenues and Expenses of the Member for such most recent Fiscal Year include the Revenues and Expenses of such other corporation, (A) immediately after such merger or consolidation, sale or conveyance, the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.10:1 or that such Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group is greater than the Historical Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such merger or consolidation, sale or conveyance, and (B) immediately after such merger or consolidation, sale or conveyance, the Obligated Group would be in compliance with the Liquidity Requirement of Section 4.20 hereof of this Master Trust Indenture for the most recent quarter after adjustment for the change or that such calculation of Days Cash on Hand of the Obligated Group is equal to or greater than such calculation would be immediately prior to such merger or consolidation, sale or conveyance; and

(4) If all amounts due or to become due on all Related Bonds have not been fully paid to the Holders thereof or fully provided for, there shall be delivered to the Master Trustee an Opinion of Counsel to the effect that the merger or consolidation complies with this Master Trust Indenture and under then existing law the consummation of such merger,

consolidation, sale or conveyance would not, in and of itself, adversely affect the validity of such Related Bonds and an Opinion of Bond Counsel that such consolidation, sale or conveyance will not, with respect to any Related Bonds the interest on which is tax-exempt, adversely affect the exclusion of interest on such Related Bonds from gross income of the owners thereof for federal income tax purposes.

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named herein as such Member. Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the conditions described in Section 6.01 hereof to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status. Any successor corporation to such Member thereupon may cause to be signed and may issue in its own name Obligations hereunder and the predecessor corporation shall be released automatically without the need to execute any document or instrument (but the Master Trustee shall confirm such release in writing upon written request) from its obligations hereunder and under any Outstanding Obligations, if such predecessor corporation shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor corporation. All Obligations so issued by such successor corporation hereunder shall in all respects have the same legal rank and benefit under this Master Trust Indenture as Obligations theretofore or thereafter issued in accordance with the terms of this Master Trust Indenture as though all of such Obligations had been issued hereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

(c) In case of any such consolidation, merger, sale or conveyance, such changes in phraseology and form (but not in substance) may be made in Obligations thereafter to be issued as may be appropriate.

(d) Notwithstanding anything to the contrary contained herein, the Obligor may establish a single member limited liability company of which it is the sole member or establish one or more corporations that at such time as it becomes a Member of the Obligated Group has no liabilities, including, without limitation, liabilities or obligations in tort, in contract, at law, in equity or otherwise, into which it may transfer all or a portion of the Mortgaged Property or any other tangible or intangible assets, so long as (i) such Person is organized and existing under the laws of the United States of America or a state thereof, (ii) such Person shall execute and deliver to the Master Trustee a Supplement in a form acceptable to the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Representative, containing the agreement of such Person (A) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of this Master Trust Indenture and (B) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 6.03 hereof) to jointly and severally make payments upon each Obligation, (iii) there shall be delivered an Opinion of Counsel acceptable to the Master Trustee to the effect that (A) the instrument described in clause (ii)(A) and (B) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity, and (B) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status, and (C) the Related Mortgage continues to create a valid lien in favor of the Master Trustee against the portion of the Mortgaged Property consisting of interests in real property, (iv) there shall be delivered to the Master Trustee an Opinion of Bond Counsel that, with respect to any Related Bonds the interest on which is tax-exempt, such actions will not adversely affect the exclusion of interest on such Related Bonds from gross income of the owners thereof for federal income tax purposes, and (v) upon completion of such transactions contemplated under this paragraph (d) the Obligated Group Representative will promptly furnish or cause to be furnished to each Required

Information Recipient (and the Master Trustee shall have no duty or obligation to review or examine the contents thereof) notice of such transaction and the names of such newly established limited liability company and/ or corporation(s) and confirming that all appropriate action has been taken to continue the perfection of the security interest in the Related Mortgage and other collateral comprising the Trust Estate.

(e) The Master Trustee may conclusively rely upon an opinion of Independent Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of this Master Trust Indenture summarized under this Section 5.01.

ARTICLE VI

MEMBERSHIP IN THE OBLIGATED GROUP

SECTION 6.01 ADMISSION OF OBLIGATED GROUP MEMBERS. Any other Person may become a Member of the Obligated Group if:

- (a) Such Person is a business entity;
- (b) Such Person shall execute and deliver to the Master Trustee a Supplement in a form acceptable to the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Representative, containing the agreement of such Person (i) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of this Master Trust Indenture, and (ii) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 6.03 hereof) to jointly and severally make payments upon each Obligation;
- (c) The Obligated Group Representative and each Member shall have approved the admission of such Person to the Obligated Group; and
- (d) The Master Trustee shall have received (i) an Officer's Certificate of the Obligated Group Representative which (A) demonstrates that (1) immediately upon such Person becoming a Member of the Obligated Group, the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available, after adjustment for the addition of the new Member, would be not less than 1.20:1, or that such Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group with such Person is greater than the Historical Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year without such Person becoming a Member of the Obligated Group, and (2) immediately upon such Person becoming a Member of the Obligated Group, the Obligated Group would be in compliance with the Liquidity Requirement of Section 4.20 hereof based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to Section 4.15 hereof or that such calculation of Days Cash on Hand of the Obligated Group is greater than such calculation would be without such Person becoming a Member of the Obligated Group; (B) certifies that prior to and immediately after such Person becoming a Member of the Obligated Group, no Event of Default exists hereunder and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an Event of Default; and (C) prior to and immediately after such Person becoming a Member of the Obligated Group, the Members would not be in default in the performance or observance of any covenant or condition to be performed or observed hereunder; (ii) an opinion of Independent Counsel in form and substance acceptable to the Master Trustee to the effect that (x) the instrument described in Section 6.01(b) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity, and (y) the addition of such Person to the Obligated Group will not adversely affect the status as a

Tax-Exempt Organization of any Member which otherwise has such status; (iii) evidence from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the admission of such Person to the Obligated Group will not result in a lower rating on such series of Related Bonds; (iv) if all amounts due or to become due on all Related Bonds have not been paid to the Holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all Related Bond Indenture, an Opinion of Bond Counsel to the effect that, under then existing law, the consummation of such transaction would not, in of itself, adversely affect the validity of any Related Bonds or any exemption from federal or state income taxation of interest payable on such Related Bonds otherwise entitled to such exemption; provided that in making the calculation called for by subsection (d)(i) above, (x) there shall be excluded from Revenues any Revenues generated by Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs, and (y) there shall be excluded from Expenses any Expenses related to Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs.

Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the above described conditions to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status.

SECTION 6.02 OBLIGATED GROUP MEMBERS. Upon any Person's becoming an Obligated Group Member as provided in Section 6.01:

(a) the Master Trustee may pursue any remedies consequent upon an Event of Default against any Obligated Group Member, or all of them, without notice to, demand upon or joinder of (and without in any way releasing) any of the others, or against any one or more or all of them at the same time or at different times;

(b) any right of contribution or right acquired by subrogation by any Obligated Group Member against any other Obligated Group Member arising out of the payment of Indebtedness shall be subordinated to the rights of the Master Trustee and the Holders of Obligations; and

(c) each Obligated Group Member shall designate the Obligated Group Representative as its attorney in fact with full power of substitution to perform, satisfy, and discharge every obligation, covenant, duty or liability to be performed on the part of the Obligated Group Member hereunder.

SECTION 6.03 WITHDRAWAL OF OBLIGATED GROUP MEMBERS. Each Member covenants that it will not take any action, corporate or otherwise, which would cause it or any successor thereto into which it is merged or consolidated under the terms of this Master Trust Indenture to cease to be a Member of the Obligated Group unless:

(a) prior to cessation of such status, there is delivered to the Master Trustee an Opinion of Counsel to the effect that, under then existing law, the cessation by the Member of its status as a Member will not adversely affect the validity of any Related Bond and an Opinion of Bond Counsel that it will not, with respect to any Related Bond the interest on which is tax-exempt, adversely affect the exclusion of interest on such Related Bonds from gross income of the owners thereof for federal income tax purposes;

(b) prior to the cessation of such status, there is delivered to the Master Trustee an Officer's Certificate of the Obligated Group Representative to the effect that: (i) (A) immediately after such cessation the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available, after adjustment for the removal of the Member, would be not less than 1.20:1

or that such Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group is greater than the Historical Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such cessation, and (B) immediately after such cessation, the Obligated Group would be in compliance with the Liquidity Requirement of Section 4.20 hereof for the most recent quarter after adjustment for the removal of the Member, or that such calculation of Days Cash on Hand of the Obligated Group is greater than such calculation would be immediately prior to such cessation; (ii) prior to and immediately after such cessation, no Event of Default exists hereunder and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an Event of Default; (iii) evidence from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the withdrawal of such Person from the Obligated Group will not result in a lower rating on such series of Related Bonds.

(c) prior to such cessation there is delivered to the Master Trustee an opinion of Independent Counsel to the effect that the cessation by such Member of its status as a Member will not, in of itself, adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status;

(d) prior to such cessation of such status there is delivered to the Master Trustee evidence from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the cessation of such status will not result in a lower rating on such series of Related Bonds;

(e) any Liens in favor of the withdrawing Member on the Property of a remaining Member is released and satisfied unless such Lien constitutes a Permitted Encumbrance after the withdrawing Member is no longer a Member; and

(f) prior to cessation of such status, the Obligated Group Representative and each Member, consents in writing to the withdrawal by such Member.

Notwithstanding the provisions of this Section 6.03 or any other provision of this Master Trust Indenture, the Obligor shall take no action which would cause it to cease to be the Obligated Group Representative and a Member of the Obligated Group.

SECTION 6.04 SUCCESSOR OBLIGATED GROUP REPRESENTATIVE. The Obligor shall serve as the Obligated Group Representative until such time as the Obligor delivers to the Master Trustee its written resignation as the Obligated Group Representative, which has been consented to in writing by the Bondholder Representative. The Obligor covenants to fulfill all of the duties of the Obligated Group Representative under this Master Trust Indenture. Each Obligated Group Member by becoming an Obligated Group Member acknowledges that the Obligated Group Representative has certain powers and duties under this Master Trust Indenture, including, but not limited to, binding all Obligated Group Members to joint and several liability on all Obligations incurred hereunder, and authorizes the Obligated Group Representative to exercise such powers and carry out such duties.

ARTICLE VII

REMEDIES OF THE MASTER TRUSTEE AND HOLDERS OF SECURED OBLIGATIONS IN EVENT OF DEFAULT

SECTION 7.01 EVENTS OF DEFAULT. Event of Default, as used herein, shall mean any of the following events, whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) default in the payment of the principal of (or premium, if any) or interest on any Obligation when it becomes due and payable at its Maturity and the continuance of such default beyond the period of grace, if any, provided in the instrument creating such Obligation; or

(b) any Obligated Group Member shall fail duly to observe or perform any other covenant or agreement (other than a covenant or agreement whose performance or observance is elsewhere in this Section 7.01 specifically dealt with) on the part of such Person contained in this Master Trust Indenture for a period of 45 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Obligated Group Representative by the Master Trustee, or to the Obligated Group Representative and the Master Trustee by the Holders of at least 25% in aggregate principal amount of Obligations then Outstanding; provided that if any such default can be cured by such Obligated Group Member but cannot be cured within the 45 day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by such Obligated Group Member within such 45 day period and diligently pursued until the default is corrected; or

(c) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging any Obligated Group Member as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of any Obligated Group Member under the Federal Bankruptcy Code or any other similar applicable federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of 90 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of any Obligated Group Member or of its Property, or for the winding up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 90 days; or

(d) any Obligated Group Member shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its Trust Estate, or shall make assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or action shall be taken by the Governing Body of any Obligated Group Member in furtherance of any of the aforesaid purposes; or

(e) any Obligated Group Member shall fail to pay or make provision for payment of any recourse Indebtedness (other than Subordinated Indebtedness owed to an Affiliate of the Obligated Group Member) having a principal balance of not less than one percent (1%) of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available, and the continuance of such failure beyond the applicable grace period, if any; or

(f) an event of default, as therein defined, under any instrument under which Obligations are incurred or secured, including, without limitation, a Related Bond Indenture, a Related Loan Agreement, any Credit Facilities, Related Mortgage or other documents delivered in connection with the issuance of Related Bonds, has occurred and is continuing beyond the applicable period of grace, if any, and the Master Trustee has received written notice thereof.

SECTION 7.02 ACCELERATION OF MATURITY; RESCISSION AND ANNULMENT. If an Event of Default occurs and is continuing, then and in every such case the Master Trustee or the Holders of not less than 25% in principal amount of the Outstanding Obligations (or, in the case of any Event of Default described in subparagraph (f) of Section 7.01 above resulting in the loss of

any exclusion from gross income of interest on, or the invalidity of, any Indebtedness secured by a pledge of Obligations, the Holders of not less than 25% in principal amount of the Outstanding Obligations of the affected series) may declare the principal of all the Obligations to be due and payable immediately, by a notice in writing to the Obligated Group Representative and all of the Holders of Obligations (and to the Master Trustee if given by Holders of Obligations), and upon any such declaration such principal shall become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Master Trustee as hereinafter in this Article provided, the Holders of a majority in aggregate principal amount of the affected Outstanding Obligations, by written notice to the Obligated Group Representative and the Master Trustee, shall rescind and annul such declaration and its consequences if:

(a) one or more Obligated Group Members has paid or deposited with the Master Trustee a sum sufficient to pay:

(1) all overdue installments of interest on all Obligations,

(2) the principal of (and premium, if any, on) any Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Obligations, and

(3) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and

(b) all Events of Default, other than the nonpayment of the principal of Obligations which have become due solely by such acceleration, have been cured or waived as provided in Section 7.15 hereof.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

For all purposes of this Section 7.02, Obligations which secure Interest Rate Agreements shall be disregarded for purposes of determining the principal amount of Obligations the Holders of which are permitted to take an action hereunder.

SECTION 7.03 FORECLOSURE, TRANSFER, ASSIGNMENT, LEASE, AND OTHER DISPOSITIONS; SUITS FOR ENFORCEMENT. In case an Event of Default shall occur and be continuing, the Master Trustee may, subject to the provisions of Section 7.17 hereof:

(a) foreclose the Related Mortgage or any mortgage or deed of trust delivered pursuant to Section 4.16 hereof;

(b) protect and enforce its rights and the rights of the Master Trustee and Holders under this Master Trust Indenture by sale pursuant to judicial proceedings or by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Master Trust Indenture or in aid of the execution of any power granted in this Master Trust Indenture or for the foreclosure of this Master Trust Indenture or for the enforcement of any other legal, equitable, or other remedy, as the Master Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Master Trustee; or

(c) as to all or part of the personal property (tangible or intangible) and Fixtures included in the Trust Estate (such portion of the Trust Estate herein referred to as the "Collateral"):

(1) proceed under the New York Uniform Commercial Code and exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the New York Uniform Commercial Code, including, without limitation, the right and power to sell, at public or private sale or sales, or otherwise dispose of, lease, or utilize, the Collateral and any part or parts thereof in any manner authorized or permitted under the New York Uniform Commercial Code after default by a debtor, and, to the extent permitted by law, the Obligated Group Representative, on behalf of the Obligated Group, expressly waives any notice of sale or other disposition of the Collateral and any other rights and remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of the Master Trustee existing after default hereunder, and, to the extent any such notice is required and cannot be waived, the Obligated Group agrees that if such notice is mailed, postage prepaid, to the Obligated Group Representative at its address stated in the first paragraph hereof at least ten days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice,

(2) take possession of the Collateral and enter upon any premises where the same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned and take any action deemed necessary or appropriate by the Master Trustee, at its option, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, or other use or disposition as herein authorized,

(3) transfer at any time to itself or to its nominee the Collateral, or any part thereof, and receive the money, income proceeds, or benefits attributable or accruing thereto and hold the same as security for the Outstanding Obligations or apply same as herein provided, and

(4) require the Members to assemble the Collateral and make it available to the Master Trustee at a place to be designated by the Master Trustee that is reasonably convenient to all parties.

(d) in the case an Event of Default shall occur and be continuing, the Master Trustee agrees that the majority of the Holders of Obligations shall determine which Related Mortgage or any Mortgage or deed of trust shall be foreclosed upon. The proceeds of any such foreclosure shall be applied as provided in Section 7.08 hereof.

The Master Trustee shall be fully subrogated to the rights of all vendors' lienholders and other lienholders whose indebtedness is paid in whole or in part from proceeds of Obligations.

SECTION 7.04 INCIDENTS OF SALE. Upon any sale of any of the Trust Estate, whether pursuant to judicial proceedings, to the extent permitted by law or otherwise:

(a) any Holder or Holders of Obligations or the Master Trustee may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain, and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Obligations or claims for interest thereon in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Obligations, in case the

amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show partial payment;

(b) the Master Trustee may make and deliver to the purchaser or purchasers a good and sufficient bill of sale, and instrument of assignment and transfer of the property sold;

(c) the Master Trustee is hereby irrevocably appointed the true and lawful attorney of each Member, in its name and stead, to make all necessary deeds, bills of sale, and instruments of assignment and transfer of the property thus sold; and for that purpose it may execute all necessary deeds, bills of sale, and instruments of assignment and transfer, and may substitute one or more Persons with like power, each Member hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof; but if so requested by the Master Trustee or by any purchaser, any Member shall ratify and confirm any such sale or transfer by executing and delivering the Master Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer, and release as may be designated in any such request;

(d) rights, titles, interests, claims, and demands whatsoever, either at law or in equity or otherwise, of the Members of, in, and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against each of the Members and their respective successors and assigns, and against any and all Persons claiming or who may claim the property sold or any part thereof by, through, or under the Members or their respective successors and assigns; and

(e) receipt of the Master Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money and such purchaser or purchasers and his or their assigns or personal representative shall not, after paying such purchase money and receiving such receipt, be obligated to see to the application of such purchase money, or be in any way answerable for any loss, misapplication, or non-application thereof.

Upon a sale of substantially all the Trust Estate, pursuant to judicial proceedings or otherwise permitted by law, the Obligated Group Representative will permit, to the extent permitted by law, the purchaser thereof and its successors and assigns to take and use the names of the Members and to carry on business under such name or any variant thereof and to use and employ any and all other trade names, brands, and trademarks of the Members; and in such event, upon written request of such purchaser, its successors, or its assigns, any Member will, at the expense of the purchaser, change its name in such manner as to eliminate any similarity.

SECTION 7.05 COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY MASTER TRUSTEE. The Obligated Group Members covenant (subject to any notice and grace periods contained herein) that if:

(a) default is made in the payment of any installment of interest on any Obligation when such interest becomes due and payable, or

(b) default is made in the payment of the principal of (or premium, if any, on) any Obligation at the Maturity thereof, each Obligated Group Member will, upon demand of the Master Trustee, pay to it, for the benefit of the Holders of such Obligations, the whole amount then due and payable on such Obligations for principal (and premium, if any) and interest, with interest at the rate borne by the Obligations upon the overdue principal (and premium, if any); and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel.

If the Obligated Group Members fail to pay any of the foregoing amounts forthwith upon demand, the Master Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Obligated Group Members or any other obligor upon the Obligations and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Obligated Group Members or any other obligor upon the Obligations, wherever situated.

If an Event of Default occurs and is continuing, the Master Trustee may proceed to protect and enforce its rights and the rights of the Holders of Obligations by such appropriate judicial proceedings as shall be most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Master Trust Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

If an Event of Default occurs and is continuing, the Master Trustee, as the beneficiary under the Related Mortgage, may proceed to enforce its rights and seek any remedies available to it under the Related Mortgage.

SECTION 7.06 MASTER TRUSTEE MAY FILE PROOFS OF CLAIM. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the Obligated Group Members or any other obligor upon the Obligations or the property of the Obligated Group Members or of such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Obligations shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Master Trustee shall have made any demand on the Obligated Group Members for the payment of overdue principal, premium, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Obligations and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the compensation, expenses (including, but not limited to, attorneys' fees and expenses), disbursements and advances of the Master Trustee, its agents and counsel which shall be deemed an administrative claim) and of the Holders of Obligations allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any receiver, assignee, trustee, liquidator, sequestrator, custodian, or other similar official in any such judicial proceeding is hereby authorized by each Holder of Obligations to make such payments to the Master Trustee, and in the event that the Master Trustee shall consent to the making of such payments directly to the Holders of Obligations, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses (including, but not limited to, attorneys' fees and expenses), disbursements, and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under this Master Trust Indenture which shall be deemed an administrative claim.

Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Holder of Obligations any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Holder thereof, or to authorize the Master Trustee to vote in respect of the claim of any Holder of Obligations in any such proceeding.

SECTION 7.07 MASTER TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF OBLIGATIONS. All rights of action and claims under this Master Trust Indenture or the Obligations may be prosecuted and enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses (including, but not limited to, attorneys' fees and expenses), disbursements, and advances of the Master Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Obligations in respect of which such judgment has been recovered.

SECTION 7.08 APPLICATION OF MONEY COLLECTED. Any money collected by the Master Trustee pursuant to this Article VII and any proceeds of any sale (after deducting the costs and expenses of such sale, including a reasonable compensation to the Master Trustee, its agents and counsel, and any taxes, assessments, or liens prior to the lien of this Master Trust Indenture, except any thereof subject to which such sale shall have been made), whether made pursuant to judicial proceedings or otherwise permitted by law, together with, in the case of any entry or sale as otherwise provided herein, any other sums then held by the Master Trustee as part of the Trust Estate, shall be deposited in the Revenue Fund created by this Master Trust Indenture, shall be applied in the order specified in Section 3.01 hereof, at the date or dates fixed by the Master Trustee and, in case of the distribution of such money on account of principal (or premium, if any), upon presentation of the Obligations and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid.

In the event the Master Trustee incurs expenses or renders services in any proceedings which result from the occurrence or continuance of an Event of Default under Section 7.01(c) or 7.01(d) hereof, or from the occurrence of any event which, by virtue of the passage of time, would become such Event of Default, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

SECTION 7.09 LIMITATION ON SUITS. No Holder of any Obligation shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Trust Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Holder has previously given written notice to the Master Trustee of a continuing Event of Default;

(b) the Holders of not less than 25% in aggregate principal amount of the Outstanding Obligations shall have made written request to the Master Trustee to institute proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;

(c) such Holder or Holders have offered to the Master Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Master Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Master Trustee during such 60 day period by the Holders of a majority in aggregate principal amount of the Outstanding Obligations; it being understood and intended that no one or more Holders of Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Trust Indenture to affect, disturb or prejudice the rights of any other Holders of Obligations, or to obtain or to seek to obtain

priority or preference over any other Holders or to enforce any right under this Master Trust Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Obligations.

SECTION 7.10 UNCONDITIONAL RIGHT OF HOLDERS OF OBLIGATIONS TO RECEIVE PRINCIPAL, PREMIUM AND INTEREST. Notwithstanding any other provision in this Master Trust Indenture, the Holder of any Obligation shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and (subject to Section 2.07 hereof) interest on such Obligation on the respective Stated Maturities expressed in such Obligation (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 7.11 RESTORATION OF RIGHTS AND REMEDIES. If the Master Trustee or any Holder of Obligations has instituted any proceeding to enforce any right or remedy under this Master Trust Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Holder of Obligations, then and in every such case the Obligated Group Members, the Master Trustee and the Holders of Obligations shall, subject to any court determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Master Trustee and the Holders of Obligations shall continue as though no such proceeding had been instituted.

SECTION 7.12 RIGHTS AND REMEDIES CUMULATIVE. No right or remedy herein conferred upon or reserved to the Master Trustee or to the Holders of Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 7.13 DELAY OR OMISSION NOT WAIVER. No delay or omission of the Master Trustee or of any Holder of any Obligation to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VII or by law to the Master Trustee or to the Holders of Obligations may be exercised from time to time, and as often as may be deemed expedient.

SECTION 7.14 CONTROL BY HOLDERS OF OBLIGATIONS. The Holders of a majority in aggregate principal amount of the Outstanding Obligations shall have the right to direct in writing the time, method, and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred on the Master Trustee, provided that:

- (a) such direction shall not be in conflict with any rule of law or with this Master Trust Indenture;
- (b) the Master Trustee may take any other action which is not inconsistent with such direction;
- (c) the Master Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 8.03(e) hereof is provided to it by such Holders; and
- (d) the Master Trustee shall disregard all Obligations which secure Interest Rate Agreements for purposes of this Section 7.14.

SECTION 7.15 WAIVER OF PAST DEFAULTS AND FUTURE COVENANT REQUIREMENTS. The Holders of not less than a majority in aggregate principal amount of the

Outstanding Obligations may on behalf of the Holders of all the Obligations waive any past default hereunder and its consequences (or future covenant requirements), except a default or covenant requirement with respect to:

- (a) in the payment of the principal of (or premium, if any) or interest on any Obligation, or
- (b) a covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the Holder of each Outstanding Obligation affected.

Upon any such waiver, such default shall be deemed to have never occurred, and any Event of Default arising therefrom shall be deemed to have been cured *ab initio*, for every purpose of this Master Trust Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

For all purposes of this Section 7.15, Obligations securing Interest Rate Agreements shall be disregarded.

SECTION 7.16 UNDERTAKING FOR COSTS. All parties to this Master Trust Indenture agree, and each Holder of any Obligation by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Master Trust Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Master Trustee, to any suit instituted by any Holder of Obligations, or group of Holders of Obligations, holding in the aggregate more than 10% in principal amount of the Outstanding Obligations, or to any suit instituted by any Holder of Obligations for the enforcement of the payment of the principal of (or premium, if any) or interest on any Obligation on or after the respective Stated Maturities expressed in such Obligation (or, in the case of redemption, on or after the redemption date).

SECTION 7.17 WAIVER OF STAY OR EXTENSION LAWS. Each Obligated Group Member covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Master Trust Indenture; and each Obligated Group Member (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay, or impede the execution of any power herein granted to the Master Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE VIII CONCERNING THE MASTER TRUSTEE

SECTION 8.01 DUTIES AND LIABILITIES OF MASTER TRUSTEE. (a) The Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Trust Indenture and no implied covenants or obligations shall be read into this Master Trust Indenture against the Master Trustee. The Master Trustee shall have no duty to review any financial statements or budgets provided by the Obligated Group hereunder, except in connection with the information with respect to Days Cash on Hand provided to the Master Trustee pursuant to Section 4.15(b)(i) of this Master Trust Indenture, nor shall the Master Trustee be considered to have notice or knowledge (in each case,

constructive or actual) of the content of such statements or budgets or a default based on such content. The Master Trustee shall have no duty to verify the accuracy of such financial statements or budgets.

(b) In case any Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Trust Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(c) No provision of this Master Trust Indenture shall be construed to relieve the Master Trustee from liability for its own gross negligence or willful misconduct as determined in a final non-appealable order by a court of competent jurisdiction except, that:

(1) this Subsection shall not be construed to limit the effect of subsection (a) of this Section;

(2) the Master Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Master Trustee acted with gross negligence or willful misconduct as determined in a final non-appealable order by a court of competent jurisdiction in ascertaining the pertinent facts;

(3) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of Obligations then Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under this Master Trust Indenture;

(4) no provision of this Master Trust Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, without regard to whether it shall have grounds for believing that the repayment of such funds is not assured to it; and

(5) in the absence of gross negligence or willful misconduct on its part as determined in a final non-appealable order by a court of competent jurisdiction, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon receipt of any report, document, notice, directions, instructions, certificates or opinions furnished to the Master Trustee and conforming to the requirements of this Master Trust Indenture, and believed by it to be genuine and signed by the proper party or parties,; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of this Master Trust Indenture as to form.

(d) Whether or not therein expressly so provided, every provision of this Master Trust Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

SECTION 8.02 NOTICE OF DEFAULTS. Within 60 days after the occurrence of any default hereunder of which the Master Trustee is deemed to have knowledge as provided in Section 8.03(h) hereof, the Master Trustee shall transmit by mail to all Holders of Obligations, notice of such default, unless

such default shall have been cured or waived; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Obligations or in the payment of any sinking or purchase fund installment, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Representatives of the Master Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Obligations; and provided, further, that in the case of any default of the character specified in Section 7.01(b) hereof no such notice to Holders of Obligations shall be given until at least 45 days after the occurrence thereof. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

SECTION 8.03 CERTAIN RIGHTS OF MASTER TRUSTEE. Except as otherwise provided in Section 8.01 hereof:

(a) The Master Trustee shall be entitled to conclusively rely and shall be fully protected in relying, acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon, or other paper or document believed by it to be genuine and to have been signed and/or presented by the proper party or parties and shall have no obligation to verify the accuracy of any information or calculations required to be included therein or attached thereto;

(b) Any request or direction of any Person mentioned herein shall be sufficiently evidenced by a Request of such Person; and any resolution of the Governing Body of any Person may be evidenced to the Master Trustee by a Board Resolution of such Person;

(c) Whenever in the administration of this Master Trust Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) shall, in the absence of gross negligence or willful misconduct on its part, as determined in a final non-appealable order by a court of competent jurisdiction, be entitled to conclusively rely upon an Officer’s Certificate, and shall be fully protected and indemnified in so relying;

(d) The Master Trustee may consult with counsel of its selection and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Trust Indenture at the request or direction of any of the Holders of Obligations pursuant to the provisions of this Master Trust Indenture, unless such Holders shall have provided to the Master Trustee security or indemnity satisfactory to it against the costs, expenses (including, but not limited to, attorneys’ fees and expenses), and liabilities which might be incurred by it in connection with such request or direction (which shall include fees spent in enforcement of this Section 8.03), including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances;

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon, or other paper or document but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Obligated Group Members and each other obligor on the Obligations, personally or by agent or attorney;

(g) The Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Master Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care hereunder;

(h) The Master Trustee shall not be required to take notice or be deemed to have notice or knowledge (in each case, either actual or constructive) of any default with respect to the Obligations hereunder, except for (i) Events of Default specified in Section 7.01(a) hereof, (ii) the failure of any Member of the Obligated Group to file any financial statements, certificates or documents specifically required to be filed with the Master Trustee pursuant to the provisions of this Master Trust Indenture or the Related Mortgage by a certain date (provided the Master Trustee shall not be deemed to have notice of any failure to file a document which is only required to be delivered to the Master Trustee under certain circumstances), or (iii) any other event of which a Responsible Representative of the Master Trustee has actual knowledge and which, with the giving of notice or lapse of time or both would constitute an Event of Default with respect to such Obligations under this Master Trust Indenture or any Related Mortgage, unless specifically notified by written direction by any Holder of any Obligation;

(i) The permissive right of the Master Trustee to do things enumerated in this Master Trust Indenture shall not be construed as a duty and the Master Trustee shall not be answerable for other than its gross negligence or willful misconduct as determined in a final non-appealable order by a court of competent jurisdiction. It shall not be the duty of the Master Trustee, except as herein provided, to see that any duties or obligations herein imposed upon any Obligated Group Member or any other Person are performed, and the Master Trustee shall not be liable or responsible for the failure of any Obligated Group Member or any other Person to perform any act required of it or them by this Master Trust Indenture;

(j) The Master Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Master Trust Indenture;

(k) In the event the Master Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of Obligations, each representing less than a majority in aggregate principal amount of the Obligations Outstanding, the Master Trustee may determine what action, if any, shall be taken, and shall be fully indemnified in so acting;

(l) The Master Trustee's immunities and protections from liability in connection with the performance of its duties under this Master Trust Indenture shall extend to the Master Trustee's officers, directors, agents and employees. Such immunities and protections, together with the Master Trustee's right to compensation, shall survive the Master Trustee's resignation or removal and final payment of the Obligations;

(m) Except for information provided by the Master Trustee concerning the Master Trustee, the Master Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Obligations, and the Master Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Obligations;

(n) Notwithstanding anything contained herein or in the Related Mortgage to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action with respect to real property and which may subject the Master Trustee to liability under any Environmental Law, the Master Trustee may require that an environmental survey be provided and a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability)

and expenses which may result from such foreclosure or other action and the Master Trustee shall not be required to take such foreclosure or similar action if it determines that the approval of a governmental regulator that cannot be obtained is necessary for such foreclosure or similar action;

(o) Notwithstanding the effective date of this Master Trust Indenture or anything to the contrary in this Master Trust Indenture, the Master Trustee shall have no liability or responsibility for any act or event relating to this Master Trust Indenture which occurs prior to the date the Master Trustee formally executes this Master Trust Indenture and commences acting as Master Trustee hereunder; and

(p) The Master Trustee shall not be responsible or liable for punitive, special, indirect, or consequential loss or damage of any kind whatsoever irrespective of whether the Master Trustee has been advised of the likelihood of such loss or damage and regardless of the form of actions.

SECTION 8.04 NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF OBLIGATIONS. The recitals contained herein and in the Obligations (other than the certificate of authentication on such Obligations) shall be taken as the statements of the Obligated Group Members, and the Master Trustee assumes no responsibility for their correctness. The Master Trustee makes no representations as to the validity or sufficiency of this Master Trust Indenture or of the Obligations. The Master Trustee shall not be accountable for the use or application by the Obligated Group Members of any of the Obligations or of the proceeds of such Obligations. The Master Trustee is not a party to, and is not responsible for, and makes no representation with respect to matters set forth in any preliminary official statement, official statement, or similar document prepared and distributed in connection with the transactions contemplated in this Master Trust Indenture.

SECTION 8.05 MASTER TRUSTEE OR REGISTRAR MAY OWN OBLIGATIONS. The Master Trustee, any Paying Agent, registrar, or any other agent of the Obligated Group Members, in its individual or any other capacity, may become the owner or pledgee of Obligations and may otherwise deal with the Obligated Group Members with the same rights it would have if it were not Master Trustee, Paying Agent, Obligation registrar, or such other agent.

SECTION 8.06 MONEY TO BE HELD IN TRUST. All money received by the Master Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Master Trustee shall be under no liability for interest on any money received by it hereunder other than such interest as it expressly agrees in writing to pay.

SECTION 8.07 COMPENSATION AND EXPENSES OF MASTER TRUSTEE. The Obligated Group Members agree:

(a) to pay to the Master Trustee from time to time compensation for all services rendered by it hereunder in accordance with a written schedule provided by the Master Trustee to the Obligated Group Representative;

(b) to reimburse the Master Trustee upon its request for all expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Trust Indenture (including without limitation the compensation and the expenses and disbursements, of its agents and counsel) except any such expense, disbursement, or advance as may arise from its gross negligence or willful misconduct;

(c) each Obligated Group Member hereby agrees to indemnify the Master Trustee for, and hold it harmless against any loss, liability or expense (including without limitation attorneys' fees, costs

and expenses) incurred by it without gross negligence or willful misconduct on its part, arising out of and in connection with the acceptance or administration of this trust, including without limitation the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, and such indemnity shall survive the termination of this Master Trust Indenture or the sooner resignation or removal of the Master Trustee; and

(d) in the case of any claim indemnified by the Obligated Group hereunder that is covered by a policy of insurance maintained by or on behalf of the Obligated Group, the Master Trustee agrees to cooperate, at the Obligated Group's expense, with the insurers in the exercise of their rights to investigate, defend or compromise such claim as may be required to retain the benefits of such insurance with respect to such claim.

(e) upon the occurrence of an Event of Default and during its continuance, the Master Trustee shall have a lien prior and superior to the lien of the Holders of the Obligations for the payment of the fees, expenses, indemnities owed to it under this Section.

SECTION 8.08 CORPORATE MASTER TRUSTEE REQUIRED; ELIGIBILITY.

There shall at all times be a Master Trustee hereunder which shall be a banking corporation, bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by Federal or State banking authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign promptly in the manner and with the effect hereinafter specified in this Article VIII.

SECTION 8.09 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Article VIII shall become effective until the acceptance of appointment by the successor Master Trustee under Section 8.10 hereof.

(b) The Master Trustee may resign at any time by giving written notice thereof to the Obligated Group Representative. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within 30 days after the giving of such notice of resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(c) The Master Trustee may be removed (i) if no Event of Default or event with the passage of time would result in an Event of Default has occurred and is continuing under this Master Trust Indenture, then upon 30 days' notice, by act of the Obligated Group Representative delivered to the Master Trustee, or (ii) at any time, upon 30 days' notice, by Act of the Holders of a majority in aggregate principal amount of the Outstanding Obligations delivered to the Master Trustee and to the Obligated Group Representative.

(d) If at any time:

(1) the Master Trustee shall cease to be eligible under Section 8.08 hereof and shall fail to resign after written request therefor by the Obligated Group Representative or by any such Holder of Obligations, or

(2) the Master Trustee shall become incapable of acting or shall be adjudged as bankrupt or insolvent or a receiver of the Master Trustee or of its property shall be appointed or any public officer shall take charge or control of the Master Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Obligated Group Representative by written request upon 30 days' notice may remove the Master Trustee, or (B) subject to Section 7.16 hereof, any Holder of Obligations, or group of Holders of Obligations, holding in aggregate more than 10% in principal amount of the Outstanding Obligations, who each has been a bona fide Holder of an Obligation for at least 6 months may, on behalf of himself or themselves and all others similarly situated, petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of successor Master Trustee.

(e) If the Master Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Obligated Group Representative, by an Obligated Group Representative Request, shall promptly appoint a successor Master Trustee. If no successor Master Trustee shall have been so appointed by the Obligated Group Representative or the Holders of Obligations and accepted appointment in the manner hereinafter provided within 30 days, any Holder of Obligations who has been a bona fide Holder of an Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(f) The Obligated Group Representative shall give notice of each resignation, removal or incapacitation of the Master Trustee and each appointment of a successor Master Trustee by mailing written notice of such event by first class mail, postage prepaid, to the registered Holders of Obligations at their addresses as shown in the Obligation Register. Each notice shall include the name and address of the designated corporate trust office of the successor Master Trustee.

SECTION 8.10 ACCEPTANCE OF APPOINTMENT BY SUCCESSOR. Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to the Obligated Group Representative and to the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become effective and such successor Master Trustee, without any further act, deed, or conveyance, shall become vested with all the rights, powers, trusts, and duties of the retiring Master Trustee; but, on request of the Obligated Group Representative or the successor Master Trustee, such retiring Master Trustee shall, upon payment of its charges and the amounts due to it hereunder, execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers, and trusts of the retiring Master Trustee, and shall duly assign, transfer, and deliver to the successor Master Trustee all property and money held by such retiring Master Trustee hereunder. Upon request of any such successor Master Trustee, the Obligated Group Representative shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such rights, powers, and trusts.

No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article VIII. The indemnity provided for in Section 8.07(c) hereof herein shall continue to be binding upon the Members of the Obligated Group for the benefit of the retiring or removed Master Trustee.

SECTION 8.11 MERGER OR CONSOLIDATION. Any entity into which the Master Trustee may be merged or with which it may be consolidated, or any entity resulting from any merger or consolidation to which the Master Trustee shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the Master Trustee, shall be the successor Master Trustee hereunder, provided such entity shall be otherwise qualified and eligible under this Article VIII, without the execution

or filing of any paper or any further act on the part of any of the parties hereto. In case any Obligations shall have been authenticated, but not delivered, by the Master Trustee then in office, any successor by merger or consolidation to such authenticating Master Trustee may adopt such authentication and deliver the Obligations so authenticated with the same effect as if such successor Master Trustee had itself authenticated such Obligations.

ARTICLE IX SUPPLEMENTS AND AMENDMENTS

SECTION 9.01 SUPPLEMENTS WITHOUT CONSENT OF HOLDERS OF OBLIGATIONS. Without the Consent of the Holders of any Obligations, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee at any time may enter into one or more Supplements for any of the following purposes:

(a) to evidence the succession of another Person to an Obligated Group Member, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of an Obligated Group Member as permitted by this Master Trust Indenture or to evidence additions to, or withdrawals from, membership in the Obligated Group in accordance with the provisions of Article VI hereof;

(b) to add to the covenants of the Obligated Group Members for the benefit of the Holders of Obligations, or to surrender any right or power herein conferred upon the Obligated Group Members, or to add to the Events of Default enumerated in Section 7.01 hereof;

(c) to cure any ambiguity or to correct or supplement any provision herein that may be defective or inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Master Trust Indenture that shall not be inconsistent with this Master Trust Indenture, provided such action shall not adversely affect the interests of the Holders of Obligations;

(d) to modify or supplement this Master Trust Indenture in such manner as may be necessary or appropriate to qualify this Master Trust Indenture under the Trust Indenture Act of 1939 as then amended, or under any similar Federal or State statute or regulation, including provisions whereby the Master Trustee accepts such powers, duties, conditions and restrictions hereunder and the Obligated Group Members undertake such covenants, conditions or restrictions additional to those contained in this Master Trust Indenture as would be necessary or appropriate so to qualify this Master Trust Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Master Trust Indenture or in any Supplements provisions referred to in Section 316(a)(2) of the said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect;

(e) to create and provide for the issuance of Obligations as permitted hereunder;

(f) to increase or maintain any credit rating assigned to any series of Related Bonds by a Rating Agency so long as no Obligation issued hereunder shall be secured on a basis senior to other Obligations;

(g) to change Section 4.15 hereof to permit the financial statements required therein to more accurately reflect the financial position and operations of the Obligated Group or to comply with the requirements of generally accepted accounting principles;

(h) to specify and determine matters necessary or desirable for the incorporation of any future rules and regulations with respect to Subsidy Bonds; and

(i) to make any amendment to any provision of this Master Trust Indenture or to any Supplement which is only applicable to Obligations issued thereafter or which will not apply so long as any Obligation then Outstanding remains Outstanding.

SECTION 9.02 SUPPLEMENTS WITH CONSENT OF HOLDERS OF OBLIGATIONS. With the Consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Obligations, by Act of said Holders delivered to the Obligated Group Representative and the Master Trustee, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee may enter into Supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Trust Indenture or of modifying in any manner the rights of the Holders of the Obligations under this Master Trust Indenture; provided, however, that no such Supplement shall, without the Consent of the Holder of each Outstanding Obligations affected thereby,

(a) change the Stated Maturity of the principal of, or the date when due of any installment of principal, interest or other amounts owed under, any Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or

(b) reduce the percentage in principal amount of the Outstanding Obligations, the Consent of whose Holders is required for any such Supplement, or the Consent of whose Holders is required for any waiver (of compliance with certain provisions of this Master Trust Indenture or certain defaults hereunder and their consequences) provided for in this Master Trust Indenture, or

(c) permit the preference or priority of any Obligations over any other Obligations; provided, however, acceleration or tender rights shall not be a preference or priority hereunder, or

(d) modify any of the provisions of this Section or Section 7.15 hereof, except to increase any such percentage or to provide that certain other provisions of this Master Trust Indenture cannot be modified or waived without the Consent of the Holder of each Obligation affected thereby.

For purposes of this Section 9.02, Obligations which secure Interest Rate Agreements shall be disregarded.

It shall not be necessary for any Act of Holders of Obligation under this Section to approve the particular form of any proposed Supplement, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 9.03 EXECUTION OF SUPPLEMENTS. In executing, or accepting the additional trusts created by, any Supplement permitted by this Article or the modifications thereby of the trusts created by this Master Trust Indenture, the Master Trustee shall receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted by this Master Trust Indenture and that all conditions precedent thereto have been complied with. The Master Trustee may receive and be entitled to rely upon an Opinion of Counsel as conclusive evidence as to whether the Holders of the Obligations would be adversely affected by any Supplement. The Master Trustee may, but shall not be obligated to, enter into any such Supplement which affects the Master Trustee's own rights, duties or immunities under this Master Trust Indenture or otherwise.

SECTION 9.04 EFFECT OF SUPPLEMENT. Upon the execution of any Supplement under this Article, this Master Trust Indenture shall, with respect to each series of Obligations to which such Supplement applies, be modified in accordance therewith, and such Supplement shall form a part of this Master Trust Indenture for all purposes, and every Holder of Obligations thereafter or (except to the extent provided pursuant to Section 9.01(i) hereof) theretofore authenticated and delivered hereunder shall be bound thereby.

SECTION 9.05 OBLIGATIONS MAY BEAR NOTATION OF CHANGES. Obligations authenticated and delivered after the execution of any Supplement pursuant to this Article may bear a notation as to any matter provided for in such Supplement. If the Obligated Group Representative shall so determine, new Obligations so modified as to conform, in the opinion of the Obligated Group Representative, to any such Supplement may be prepared and executed by the applicable Obligated Group Member and authenticated and delivered by the Master Trustee in exchange for Obligations then Outstanding.

ARTICLE X

SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

SECTION 10.01 SATISFACTION AND DISCHARGE OF INDENTURE. If at any time the Obligated Group Members shall have paid or caused to be paid the principal of (and premium, if any) and interest on all the Obligations Outstanding hereunder, as and when the same shall have become due and payable (in the case of Obligations related to any Subsidy Bonds, without regard to expected Federal Subsidy Payments), and if the Obligated Group Members shall also pay or provide for the payment of all other sums payable hereunder by each Obligated Group Member then this Master Trust Indenture shall cease to be of further effect (except as to (1) rights of registration of transfer and exchange, (2) substitution of mutilated, defaced, or apparently destroyed, lost or stolen Obligations, (3) rights of Holders to receive payments of principal thereof (and premium, if any) and interest thereon, (4) the rights, remaining obligations, if any, and immunities of the Master Trustee hereunder, and (5) the rights of the Holders as beneficiaries hereof with respect to the property so deposited with the Master Trustee payable to all or any of them) and the Master Trustee, on the Obligated Group Representative's Request accompanied by an Officer's Certificate and an Opinion of Counsel (both to the effect that all conditions precedent in this Master Trust Indenture relating to the satisfaction and discharge of this Master Trust Indenture have been satisfied) and at the cost and expense of the Obligated Group Representative, shall execute proper instruments acknowledging satisfaction of and discharging this Master Trust Indenture.

Notwithstanding the satisfaction and discharge of this Master Trust Indenture, the obligations of the Obligated Group Members to the Master Trustee under Section 8.07 hereof and, if funds shall have been deposited with the Master Trustee pursuant to Section 10.02 hereof, the obligations of the Master Trustee under Section 10.03 hereof shall survive.

SECTION 10.02 OBLIGATIONS DEEMED PAID. Obligations of any series shall be deemed to have been paid if (a) (1) in case such Obligations are to be redeemed on any date prior to their Stated Maturity, the Obligated Group Representative by Obligated Group Representative Request shall have given to the Master Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Obligations on said redemption date to Holders, (2) there shall have been deposited with the Master Trustee or escrow agent either money sufficient, or Defeasance Obligations the principal of and the interest on which will provide money sufficient without reinvestment (as established by an Officer's Certificate delivered to the Master Trustee accompanied by a verification report of an Accountant setting forth the calculations upon which such Officer's Certificate is based), to pay when due the principal of (and premium, if any) and interest due and to become due on said Obligations (in the case of Obligations related to any Subsidy Bonds, without regard to expected Federal Subsidy Payments) on and prior to the

redemption date or Stated Maturity thereof, as the case may be, and (3) in the event said Obligations are not by their terms subject to redemption within the next 45 days, the Obligated Group Representative shall have given the Master Trustee in form satisfactory to it irrevocable instructions to give a notice to the Holders of such Obligations that the deposit required by clause (2) above has been made with the Master Trustee and that said Obligations are deemed to have been paid in accordance with this Section and stating such Maturity or redemption date upon which money is to be available for the payment of the principal of (and premium, if any) and interest on said Obligations (in the case of Obligations related to any Subsidy Bonds, without regard to expected Federal Subsidy Payments), or (b) such Obligations are delivered to the Master Trustee by the Related Bond Trustee together with irrevocable instructions from the Obligated Group Representative directing the Master Trustee in writing to retire and cancel such Obligations, in accordance with its then customary practices.

SECTION 10.03 APPLICATION OF TRUST MONEY. The Defeasance Obligations and money deposited with the Master Trustee pursuant to Section 10.02 hereof and principal or interest payments on any such Defeasance Obligations shall be held in trust, shall not be sold or reinvested, and shall be applied by it, in accordance with the provisions of the Obligations and this Master Trust Indenture, to the payment, either directly or through any Paying Agent (including the Obligated Group Representative acting as Paying Agent), to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Defeasance Obligations were deposited; provided that, upon delivery to the Master Trustee of an Officer's Certificate (accompanied by the verification report of an Accountant setting forth the calculations upon which such Officer's Certificate is based) certifying that the money and Defeasance Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in clause (2) of Section 10.02 hereof, any money received from principal or interest payments on Defeasance Obligations deposited with the Master Trustee or the proceeds of any sale of such Defeasance Obligations, if not then needed for such purpose, shall, upon Obligated Group Representative Request be reinvested, to the extent practicable, in other Defeasance Obligations or disposed of as requested in writing by the Obligated Group Representative, and in accordance with the Master Trustee's then customary practices. For purposes of any calculation required by this Article X, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer and the principal of such obligation shall be assumed to be received at its Stated Maturity.

SECTION 10.04 PAYMENT OF RELATED BONDS. Notwithstanding any other provision of this Article X, no Obligation will be considered paid or deemed to have been paid unless the Related Bonds or other Indebtedness evidenced or secured by such Obligation, if any, have been paid or deemed paid pursuant to the Related Bond Indenture or, as applicable, the agreement or instrument pursuant to which such other Indebtedness was issued or incurred.

ARTICLE XI MISCELLANEOUS PROVISIONS

SECTION 11.01 NO PERSONAL LIABILITY. No recourse under this Master Trust Indenture or any Obligations shall be had against any officer, director, trustee, member, manager, agent or employee, as such, past, present, or future, of any Obligated Group Member, any Affiliate, the Master Trustee or of any successor corporation; it being expressly understood that this Master Trust Indenture and the obligations incurred hereunder are solely obligations of the entities named herein as obligors, and that no personal liability whatever shall attach to such persons or any of them, under this Master Trust Indenture or any Obligations; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such person because of the creation of the indebtedness hereby authorized, or under or by reason of the

obligations, covenants, or agreements contained in this Master Trust Indenture or in any Obligations are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Master Trust Indenture and the issue of such Obligations.

SECTION 11.02 NEW YORK CONTRACT. This Master Trust Indenture and the Obligations shall be deemed to be contracts made under the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said state applicable to contracts made and to be performed in said state without regard to conflict of law principles.

SECTION 11.03 LEGAL HOLIDAYS. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Master Trust Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Master Trust Indenture.

SECTION 11.04 BENEFITS OF PROVISIONS OF MASTER TRUST INDENTURE AND OBLIGATIONS. Nothing in this Master Trust Indenture or in the Obligations, expressed or implied, shall give or be construed to give any Person, other than the parties hereto, and the Holders of such Obligations, any legal or equitable right, remedy, or claim under or in respect of this Master Trust Indenture, or under any covenant, condition, and provision herein contained; all its covenants, conditions, and provisions being for the sole benefit of the parties hereto and of the Holders of such Obligations.

SECTION 11.05 EXECUTION IN COUNTERPARTS. For the purpose of facilitating the execution of this Master Trust Indenture and for other purposes, this Master Trust Indenture may be executed simultaneously in any number of counterparts, each of which counterparts shall be deemed to be an original, and all of which counterparts shall constitute but one and the same instrument. The exchange of copies of this Master Trust Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Master Trust Indenture as to the parties hereto and may be used in lieu of the original Master Trust Indenture and signature pages for all purposes.

SECTION 11.06 PROVIDERS OF CREDIT FACILITIES DEEMED HOLDERS. For all purposes hereof including, without limitation, Articles VII and IX of this Master Trust Indenture, so long as a provider of a Credit Facility securing any Obligations or Indebtedness represented by such Obligations (including, without limitation, Related Bonds) is not in default with respect to its obligations under such Credit Facility, such provider shall be deemed to be the Holder of such Obligations and entitled to provide all consents and control all remedies with respect thereto to the exclusion of the Holders thereof so long as its Credit Facility is in effect.

SECTION 11.07 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS MASTER TRUST INDENTURE, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION HERewith. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY EACH PARTY, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.

SECTION 11.08 FORCE MAJEURE. The Master Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Master Trust Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; public emergency;

terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunction of utilities, computer (hardware or software) or communications services; accidents; labor disputes, acts of civil or military authority or governmental action; it being understood that the Master Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

SECTION 11.09 U.S.A. PATRIOT ACT. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Master Trustee, 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 the Master Trustee. The parties to this Master Trust Indenture agree that they will provide the Master Trustee with such information as it may request in order for the Master Trustee to satisfy the requirements of the U.S.A. Patriot Act.

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(SIGNATURE PAGE TO MASTER TRUST INDENTURE)

IN WITNESS WHEREOF, the parties hereto have caused this Master Trust Indenture to be duly executed by persons thereunto duly authorized, as of the day and year first above written.

ST. FRANCIS COLLEGE, as the Obligated Group Representative and an Obligated Group Member

By: _____
Name: Maureen M. Lawrence
Title: Chief Financial Officer

UMB BANK, NATIONAL ASSOCIATION,
a national banking association, as Master Trustee

By: _____
Name: David Massa
Title: Senior Vice President

EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

Legal Description of the Premises

Parcel 1

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the southerly side of Remsen Street distant 75 feet easterly from the corner formed by the intersection of the southerly side of Remsen Street with the easterly side of Clinton Street;

RUNNING THENCE southerly and parallel with the easterly side of Clinton Street, 105 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 25 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 1 foot 10 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 90 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 5 foot 5 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 8 feet;

THENCE southerly and parallel with the easterly side of Clinton Street, 2 feet 3 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 29 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 15 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 37 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 15 feet 2 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 108 feet 4 $\frac{3}{8}$ inches;

THENCE northerly and parallel with the easterly side of Clinton Street, 100 feet to the southerly side of Remsen Street;

THENCE westerly along the southerly side of Remsen Street, 300 feet to the point or place of BEGINNING.

Parcel 2

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of Joralemon Street distant 101 feet 2 inches easterly from the corner formed by the intersection of the northerly side of Joralemon Street with the easterly side of Clinton Street;

RUNNING THENCE northerly and parallel with the easterly side of Clinton Street, 113 feet 7 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 90 feet;

THENCE northerly and parallel with the easterly side of Clinton Street, 5 foot 5 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 8 feet;

THENCE southerly and parallel with the easterly side of Clinton Street, 2 feet 3 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 21 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 97 feet 4 3/4 inches to the northerly side of Joralemon Street;

THENCE westerly along the northerly side of Joralemon Street, 135 feet 9 inches to the point or place of BEGINNING.

Parcel 3

All that certain plot, piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, more particularly bounded and described as follows:

BEGINNING at a point on the northerly side of Joralemon Street distant 236 feet 11 inches easterly from the corner formed by the intersection of the northerly side of Joralemon Street with the easterly side of Clinton Street;

RUNNING THENCE northerly and at right angles to the northerly side of Joralemon Street, 97 feet 4 3/4 inches;

THENCE easterly and parallel with the southerly side of Remsen Street, 7 feet 8 inches;

THENCE northerly and parallel with the easterly side of Clinton Street, 15 feet;

THENCE easterly and parallel with the southerly side of Remsen Street, 37 feet 4 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 15 feet 2 inches to a line drawn parallel with the southerly side of Remsen Street and 100 feet southerly therefrom;

THENCE easterly along said line drawn parallel with the southerly side of Remsen Street, 19 feet 3 3/8 inches;

THENCE southerly and at right angles to the northerly side of Joralemon Street, 87 feet 4 1/4 inches to the northerly side of Joralemon Street;

THENCE westerly along the northerly side of Joralemon Street, 65 feet 10 inches to the point or place of BEGINNING.

EXHIBIT B
EXISTING LIENS

Covenants, restrictions, conditions, easements, leases, agreements of record, etc. more fully set forth herein:

- A. Covenants, restrictions and 8 foot front line set back restriction contained in deed recorded in Liber 259 Cp. 324
- B. Covenants, restrictions and front line set back restrictions contained in deed recorded in Liber 462 Cp. 141, in deed recorded in Liber 725 Cp. 359, and in deed recorded in Liber 819 Cp. 430
- C. Covenants, restrictions and 8 foot front line set back restriction contained in deed recorded in Liber 3330 Cp. 471
- D. Covenants and restrictions contained in deed recorded in Liber 380 Cp. 410
- E. Covenants, restrictions and front line set back restrictions contained in deed recorded in Liber 317 Cp. 37.
- F. Covenants and restrictions recited in deed recorded in Liber 486 Cp. 245
- G. Restrictions, covenants, obligations and agreements contained in Declaration of Restrictive Covenant recorded in CRFN 2006000311131.
- H. Rights, easements, terms and provisions contained in Plumbing System Restrictive Declaration recorded in CRFN 2010000404290
- I. Zoning Lot Description and Ownership Statement recorded in CRFN 20100000410834
- J. Certification pursuant to Subdivision C of Section 12-10 of the Zoning Resolution recorded in CRFN 2011000054696
- K. Zoning Lot Description and Ownership Statement recorded in CRFN 2011000151350
- L. Certification pursuant to Subdivision C of Section 12-10 of the Zoning Resolution recorded in CRFN 2011000178215
- M. Improvements on the premises described in Schedule A herein have been designated as a landmark building set forth in notice recorded in the Register's Office in CRFN 2017000014326.} Said improvements are subject to the restrictions as to use provided for in Administrative Code of the City of New York, Title 25, Chapter 3.

EXHIBIT C

PERMITTED TITLE EXCEPTIONS

Survey made by Bartlett, Ludlam & Dill Associates dated June 24, 2010 shows the following:

- (a) Restriction Line crosses subject premises 8 feet 0 inches south of the northerly line of title (southerly line of Remsen Street). (Surveyor notes that said Restriction Line is indicated thereon as per old surveys.)
- (b) Projections beyond 7 story brick building over the bed of Remsen Street by:
 - Roof Cornice 7 inches
 - Stone Trim up to 7 inches
 - Signs up to 2 inches
 - Banner & Supports 5 feet 6 inches
- (c) Projections beyond 8 story & penthouse brick building over the bed of Remsen Street by:
 - Roof Cornice 3 feet 0 inches
 - Sign 4 feet 0 inches
 - Standpipes 4 feet 1 inch
 - Automatic Sprinkler 7 feet 4 inches
 - Flag Poles up to 19 feet 0 inches
 - Stone Trim up to 1 foot 6 inches
 - Vent Pipe up to 7 feet 8 inches
 - Air Conditioner 4 feet 7 inches
 - Entrance Cornice 8 feet 6 inches
- (d) Projection beyond 2 story brick building by:
 - Auto Sprinkler 1 foot 0 inches
- (e) Concrete, 16 inch high stone walls, 28 inch high walls and covered entrance & iron fence encroach up to 1-1/2 inches onto the bed of Remsen Street.
- (f) Projections over subject premises from the westerly side of 6 story brick building on the adjacent premises to the east by:
 - Roof Cap 8 inches
 - Window Sills 2 inches
- (g) Space between high 1 story building on subject premises and the buildings on the adjacent premises to the south of same is sealed.
- (h) Party wall straddles a portion of the southeasterly line of title.
- (i) Southeasterly corner of 8 & 9 story brick building on subject premises encroaches 1/2 of an inch onto the adjacent premises to the east.

(j) Projections beyond 8 & 9 story brick building over the bed of Joralemon Street by:

Cornice at 1st story 6 inches

Sign 2 inches

Camera 1 foot 2 inches

(k) Projections beyond 4 story brick building over the bed of Joralemon Street by:

Lights 11 inches

Sign 2 inches

Standpipe 4 inches

Cameras up to 1 foot 11 inches

Metal Facade at 4th Story up to 3 inches

Auto Sprinkler 4 inches

(l) The edge of a wood fence on the adjacent premises to the west appears to abut the westerly wall of the high 2 story gymnasium on subject premises.

(m) Wires run along the westerly side of the high 2 story gymnasium on subject premises.

(n) Projections beyond high 2 story gymnasium on subject premises over the adjacent premises

to the west by:

Metal Trim up to 4 inches

(o) The edge of a 12 inch high concrete retaining wall on the adjacent premises to the west appears to abut the westerly wall of the 7 story brick building on subject premises.

(p) The easterly side of low area steps on the adjacent premises to the west appear to abut a portion of the westerly walls of the 8 story brick and 7 story brick buildings on subject premises.

(q) Projections beyond 8 story brick building on subject premises over the adjacent premises to the west by:

Iron Railing 4 inches

Ornamental Plaque 1 foot 4 inches

(r) Projections beyond 7 story brick building on subject premises over the adjacent premises to the west by:

Iron Railing 4 inches

(s) 10 inch high concrete curb & iron fence on the adjacent premises to the west stand at or near the northerly 8 feet of the westerly line of title.

Covenants, restrictions, conditions, easements, leases, agreements of record, etc. more fully set forth herein:

A. Covenants, restrictions and 8 foot front line set back restriction contained in deed recorded in Liber 259 Cp. 324

- B. Covenants, restrictions and front line set back restrictions contained in deed recorded in Liber 462 Cp. 141, in deed recorded in Liber 725 Cp. 359, and in deed recorded in Liber 819 Cp. 430
- C. Covenants, restrictions and 8 foot front line set back restriction contained in deed recorded in Liber 3330 Cp. 471
- D. Covenants and restrictions contained in deed recorded in Liber 380 Cp. 410
- E. Covenants, restrictions and front line set back restrictions contained in deed recorded in Liber 317 Cp. 37.
- F. Covenants and restrictions recited in deed recorded in Liber 486 Cp. 245
- G. Restrictions, covenants, obligations and agreements contained in Declaration of Restrictive Covenant recorded in CRFN 2006000311131.
- H. Rights, easements, terms and provisions contained in Plumbing System Restrictive Declaration recorded in CRFN 2010000404290
- I. Zoning Lot Description and Ownership Statement recorded in CRFN 20100000410834
- J. Certification pursuant to Subdivision C of Section 12-10 of the Zoning Resolution recorded in CRFN 2011000054696
- K. Zoning Lot Description and Ownership Statement recorded in CRFN 2011000151350
- L. Certification pursuant to Subdivision C of Section 12-10 of the Zoning Resolution recorded in CRFN 2011000178215
- M. Improvements on the premises described in Schedule A herein have been designated as a landmark building set forth in notice recorded in the Register's Office in CRFN 2017000014326.} Said improvements are subject to the restrictions as to use provided for in Administrative Code of the City of New York, Title 25, Chapter 3.

EXHIBIT D
EXCLUDED PROPERTY

[NONE]

APPENDIX E-2
FORMS OF SUPPLEMENTAL INDENTURES

ST. FRANCIS COLLEGE
as the Obligated Group Representative and an Obligated Group Member

and

UMB BANK, NATIONAL ASSOCIATION,
as Master Trustee

SUPPLEMENTAL INDENTURE NO. 1

Dated as of June 1, 2020

Relating to

\$17,540,000
BUILD NYC RESOURCE CORPORATION
REVENUE BONDS
(ST. FRANCIS COLLEGE PROJECT), SERIES 2020A

SUPPLEMENTAL INDENTURE NO. 1

THIS SUPPLEMENTAL INDENTURE NO. 1, dated as of June 1, 2020 (this “Supplemental No. 1”), between **ST. FRANCIS COLLEGE**, as the Obligated Group Representative and an Obligated Group Member (the “Obligor”) and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers in the State of New York, as trustee (in such capacity, the “Master Trustee”).

W I T N E S S E T H:

WHEREAS, Build NYC Resource Corporation (the “Issuer” or “Related Issuer”) has contemporaneously herewith issued its \$17,540,000 Revenue Bonds (St. Francis College Project), Series 2020A (the “Build NYC Series 2020A Bonds”) pursuant to an Indenture of Trust, dated as of June 1, 2020 (the “Build NYC Bond Indenture”) by and between the Issuer and U.S. Bank National Association, as bond trustee (the “Build NYC Trustee”) for the purpose of funding a loan to the Obligor to finance a project (the “Project”) consisting of (i) the refunding and defeasance of the DASNY 2014 Bonds (as defined in the Build NYC Bond Indenture); (ii) the financing and refinancing of the New Money Bond Financed Property (as defined in the Build NYC Bond Indenture) at the Facility (as defined in the Build NYC Bond Indenture), including classroom furniture, energy efficient upgrades and information technology and related items of personal property; (iii) the funding of a debt service reserve fund; and (iv) paying a portion of the costs of issuance of the Build NYC Series 2020A Bonds;

WHEREAS, simultaneously with the issuance of the Build NYC Series 2020A Bonds, the Obligor will enter into a Loan Agreement dated as of June 1, 2020 (the “Build NYC Loan Agreement”) with the Issuer pursuant to which the Issuer is making the proceeds of the Build NYC Series 2020A Bonds available to the Obligor (the “Build NYC 2020A Loan”) to finance a portion of the costs of the Project;

WHEREAS, simultaneously with the issuance of the Build NYC Series 2020A Bonds, the Obligor has entered into a Master Trust Indenture with the Master Trustee to be supplemented by this Supplemental No. 1 and as contemporaneously supplemented by Supplemental Indenture No. 2 dated as of June 1, 2020 (the “Supplemental No. 2”) and by Supplemental Indenture No. 3 dated as of June 1, 2020 (the “Supplemental No. 3”) (the Master Trust Indenture dated as of June 1, 2020, as supplemented by this Supplemental No. 1, Supplemental No. 2 and Supplemental No. 3, and as may hereafter be amended or supplemented, the “Master Trust Indenture”), and will issue its Build NYC Master Note 2020A (as defined herein), contemporaneously with its Build NYC Master Note 2020B/C and its PFA Master Note, as an Obligation under the Master Trust Indenture. The Build NYC Master Note 2020A, the Build NYC Master Note 2020B/C and the PFA Master Note will be secured on a parity basis with each other and any other Obligations hereafter issued under the Master Trust Indenture;

WHEREAS, pursuant to the Build NYC Loan Agreement, the Obligor has agreed to issue the Build NYC Master Note 2020A created by this Supplemental No. 1 to evidence the obligation of the Obligor to make the payments required under the Build NYC Loan Agreement with respect to the Build NYC Series 2020A Bonds;

WHEREAS, the Obligor is authorized by law and by the Master Trust Indenture, and deems it necessary and desirable, to issue and deliver, on behalf of the Obligated Group, the Build NYC Master Note 2020A as an Obligation pursuant to the Master Trust Indenture and this Supplemental No. 1;

WHEREAS, pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members will be jointly and severally liable for payment of the Obligation; and

WHEREAS, all acts and things necessary to make the Obligation authorized by this Supplemental No. 1, when executed by the Obligor, on behalf of the Obligated Group, and authenticated and delivered by the Master Trustee as provided in the Master Trust Indenture and this Supplemental No. 1, the valid,

binding and legal obligation of the Obligated Group, and to constitute these presents, together with the Master Trust Indenture, a valid indenture and agreement according to its terms and the terms of the Master Trust Indenture, have been done and performed and the execution of this Supplemental No. 1 and the issue hereunder and under the Master Trust Indenture of the Obligation created by this Supplemental No. 1 have in all respects been duly authorized, and the Obligor, in the exercise of the legal right and power vested in it, executes this Supplemental No. 1 on behalf of the Obligated Group and proposes to make, execute, issue and deliver the Obligation created hereby.

NOW, THEREFORE, THIS SUPPLEMENTAL NO. 1 WITNESSETH:

That in order to declare the terms and conditions upon which the Obligation authorized hereby is authenticated, issued and delivered, and in consideration of the premises and the purchase and acceptance of the Obligation created hereby by the holder thereof, the Obligor, on behalf of the Obligated Group Members, covenants and agrees with the Master Trustee as follows:

**ARTICLE I.
DEFINITION OF TERMS**

The terms used in this Supplemental No. 1 shall, except as otherwise stated herein, have the meanings assigned to them in the Master Trust Indenture. Unless the context otherwise requires, the following words and phrases shall have the following meanings in the Master Trust Indenture so long as the Build NYC Master Note 2020A is Outstanding.

“Bondholder Representative” means (i) Hamlin so long as the beneficial owners of at least a majority in aggregate principal amount of the Series 2020 Bonds (as defined in the Build NYC Bond Indenture) Outstanding are Persons for whom Hamlin serves as investment advisor, and (ii) at any other time, any entity designated as Bondholder Representative by a written appointment, delivered to the Build NYC Trustee, by the beneficial owners of at least a majority in aggregate principal amount of Series 2020 Bonds Outstanding. If there shall be no designee, the term Bondholder Representative shall be disregarded. Hamlin will provide immediate written notice to the Build NYC Trustee, the Master Trustee, and the Obligor when clause (i) above is no longer applicable.

“Environmental Audit” means that certain Phase I Environmental Site Assessment Report dated January 9, 2020, prepared by the Environmental Auditor.

“Environmental Auditor” means CBRE, Inc.

“Hamlin” means Hamlin Capital Management, LLC and its successors and assigns.

“Popular Bank Agreement” means the agreement entered into between the Obligor and Popular Bank dated December 30, 2019.

“Related Bond Indenture” means the Build NYC Bond Indenture, as the same may be amended and supplemented from time to time.

“Related Bond Trustee” means the Build NYC Trustee and its successors and assigns.

“Related Bonds” means the Build NYC Series 2020A Bonds.

“Related Debt Service Reserve Fund” means the Debt Service Reserve Fund (Series 2020A) established pursuant to the terms of the Build NYC Bond Indenture.

“Related Issuer” means the Build NYC Resource Corporation and its successors and assigns.

“Related Loan Agreement” means the Build NYC Loan Agreement, as the same may be amended and supplemented from time to time.

“Related Mortgage” means, collectively, (i) the Master Mortgage and Security Agreement (Acquisition Loan), dated as of June 1, 2020, from the Obligor to the Related Issuer and the Master Trustee, as assigned by the Related Issuer to the Master Trustee, (ii) the Master Mortgage and Security (Indirect Loan), dated as of June 1, 2020, from the Obligor to the Related Issuer and the Master Trustee, as assigned by the Related Issuer to the Master Trustee, (iii) the Master Assignment of Leases and Rents (Acquisition Loan), dated as of June 1, 2020, from the Obligor to the Related Issuer and the Master Trustee, as assigned by the Related Issuer to the Master Trustee, and (iv) the Master Assignment of Leases and Rents (Indirect Loan), dated as of June 1, 2020, from the Obligor to the Related Issuer and the Master Trustee, as assigned by the Related Issuer to the Master Trustee, as each of the same may be amended and supplemented from time to time.

ARTICLE II. BUILD NYC MASTER NOTE 2020A

There is hereby created as an Obligation under the Master Trust Indenture a promissory note to be known and entitled “St. Francis College Master Trust Note (Build NYC Resource Corporation – Series 2020A)” securing the Build NYC Series 2020A Bonds (the “Build NYC Master Note 2020A”). The Build NYC Master Note 2020A, in the principal amount of \$17,540,000, may be executed, authenticated and delivered in accordance with Article II of the Master Trust Indenture.

The Build NYC Master Note 2020A created hereby shall be in the form of a fully registered Obligation without coupons, shall be dated June 22, 2020, shall bear interest from its date thereof in the amount set forth in such Build NYC Master Note 2020A, payable as set forth in the Build NYC Master Note 2020A, and shall be substantially in the form attached hereto as Exhibit A.

ARTICLE III. PREPAYMENT; PARTIAL REDEMPTION; MISCELLANEOUS

The Build NYC Master Note 2020A created hereby and its principal balance shall be subject to optional and mandatory prepayment and redemption prior to maturity, in whole or in part, at the times, upon the conditions and with the payments set forth in the Build NYC Bond Indenture for redemption of the Build NYC Series 2020A Bonds. Any prepayment of the principal of the Build NYC Master Note 2020A shall be credited against the principal amount of the Build NYC Series 2020A Bonds redeemed with the proceeds of such prepayment, and interest on the Build NYC Master Note 2020A or principal portion thereof so called for prepayment or redemption shall cease to accrue.

If the Obligor (i) shall have elected to apply the Build NYC Series 2020A Bonds that have been acquired by the Obligated Group Members or the Issuer and delivered to the Build NYC Trustee for cancellation by the Build NYC Trustee, in payment of all or a part of the unpaid principal balance of the Build NYC Series 2020A Bonds, (ii) shall have delivered written notice thereof to the Issuer and a copy thereof to the Build NYC Trustee in accordance with the Build NYC Bond Indenture, and (iii) the Issuer shall have received 100% of the principal amount of the Build NYC Series 2020A Bonds thus applied, then the Build NYC Trustee shall promptly notify the Master Trustee, whereupon the Obligor and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Build NYC Master Note 2020A on the same date as the payment of principal of the Build NYC Series 2020A Bonds have been applied, and the principal amount of the Build NYC Master Note 2020A due on such date will be reduced accordingly.

The Obligated Group Members shall receive a cash credit against the interest obligations on the Build NYC Master Note 2020A on any interest payment date equal to the amount then on deposit in the Bond Fund (Tax-Exempt) pursuant to the Build NYC Bond Indenture for the payment of interest on the Build NYC Series 2020A Bonds. The place of payment for the Build NYC Master Note 2020A shall be the designated corporate trust office of the Build NYC Trustee.

ARTICLE IV. MASTER TRUST INDENTURE COVENANTS

SECTION 4.01 Certain Covenants with Respect to the Build NYC Series 2020A Bonds. So long as any Build NYC Series 2020A Bond is Outstanding, unless waived or otherwise agreed to by the Holder of the Build NYC Master Note 2020A, with the consent of the Bondholder Representative, or as directed by a majority in aggregate principal amount of the holders of the Build NYC Series 2020A Bonds Outstanding, each Member of the Obligated Group agrees that the following provisions of the Master Trust Indenture shall be revised as follows:

(A) Definitions.

(1) The definition “Permitted Encumbrances” is revised to include the following paragraphs (v), (w) and (x) following paragraph (u):

(v) any liens in connection with the recordation of a purchase and sale agreement in advance of the sale of the property which is the proposed subject of a Permitted Transfer.

(w) (i) the Mortgage made by St. Francis College (a New York not-for-profit education corporation) to Build NYC Resource Corporation, as Issuer and Mortgagee and UMB Bank, National Association, as Master Trustee and Mortgagee in the principal amount of \$3,772,844.00 dated June 22, 2020 and to be duly recorded in the Office of the City Register of the County of Kings, (ii) the Mortgage made by St. Francis College (a New York not-for-profit education corporation) to Build NYC Resource Corporation, as Issuer and Mortgagee and UMB Bank, National Association, as Master Trustee and Mortgagee in the principal amount of \$38,282,156.00 dated June 22, 2020 and to be duly recorded in the Office of the City Register of the County of Kings, and (iii) the Mortgage made by St. Francis College (a New York not-for-profit education corporation) to UMB Bank, National Association, as Master Trustee and Mortgagee in the principal amount not to exceed \$33,745,000.00 dated June 22, 2020 and to be duly recorded in the Office of the City Register of the County of Kings.

(x) any other liens permitted by the Bondholder Representative.

(2) Bondholder Representative Approval of Parties. The definitions of “Accountant,” “Bond Counsel,” “Consultant,” “Current Value” (with respect to the appraiser referenced therein), “Independent Counsel,” and “Insurance Consultant” shall all be amended to include that such party is acceptable to the Bondholder Representative.

(3) The definition of “Indemnified Party” is revised to include the Bondholder Representative and its officers, directors, employees and agents.

(4) The definition of “Required Information Recipient” is revised to include the Bondholder Representative.

(5) The definition of “Threshold Amount” is revised to mean \$1,000,000.

(6) “Depository Bank” means TD Bank, N.A., together with its successors and assigns in such capacity, and any successor Depository Bank.

(7) “Initial Purchaser” means RBC Capital Markets, LLC.

(B) Reserve Fund Credit Facility. No Reserve Fund Credit Facilities shall be permitted without the prior written consent of the Bondholder Representative.

(C) Revenue Fund. The deposit account control agreement referenced in the last sentence of Section 3.01(a) of the Master Trust Indenture shall be required as a condition to the issuance of the Build NYC Master Note 2020A.

(D) Debt Service Reserve Fund. No Debt Service Reserve Fund or Composite Reserve Account shall be set up under the Master Trust Indenture for the Build NYC Master Note 2020A under Section 3.01(e) of the Master Trust Indenture.

(E) Insurance.

Section 4.10 is revised to include the following sentences:

Each Obligated Group Member agrees that it will follow any recommendations of the Insurance Consultant unless such recommendations are not commercially unreasonable. Any self-insurance or multi-provider risk retention group described in this Section shall require the prior written consent of the Bondholder Representative.

In the event pursuant to Section 8.1(h)(vi) of the Build NYC Loan Agreement, any exception to the requirements under Section 8.1 is made by the Issuer, if any such exception shall serve to lessen a requirement of the Obligated Group Member under such Section 8.1, the prior written consent of the Bondholder Representative shall be required and if required, shall not be unreasonably withheld.

(F) Contents of Certificates and Opinions; Use of GAAP.

(1) Section 4.15(a) is revised to include the following sentence at the end of such paragraph: “The Annual Budget shall be acceptable to the Bondholder Representative.”

(2) The following provisions shall be added to Section 4.15:

(a) The Obligated Group Representative will furnish or cause to be furnished to each of the Required Information Recipients and the Bondholder Representative (and the Master Trustee shall have no duty or obligation to review or examine the contents thereof), all of the following:

(1) Commencing with the fiscal quarter ending December 31, 2020, quarterly unaudited financial statements of the Obligated Group as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal quarter, including a combined or combining statement of revenues and expenses and statement of cash flows of the Obligated Group during such period, a combined or combining balance sheet as of the end of each such fiscal quarter, and a calculation of Days Cash on Hand, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of

the Obligated Group Representative in an Officer's Certificate. Such financial statements and calculations shall be accompanied by a comparison to the Annual Budget.

(2) Commencing with the fiscal quarter ending December 31, 2020, but in no event more than 10 days after the completion of such fiscal quarter, a statement of student enrollment prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative in an Officer's Certificate.

If the Days Cash on Hand of the Obligated Group is less than the Liquidity Requirement on a Testing Date as provided herein, the Obligated Group will deliver the financial information and the calculations described in the above paragraph on a monthly basis within 45 days of the end of each month until the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.

(3) Within 150 days of the end of each Fiscal Year, commencing with the Fiscal Year commencing July 1, 2020, an annual audited financial report of the Obligated Group prepared by Accountants, including a combined and an audited combining balance sheet as of the end of such Fiscal Year, a combined and an audited combining statement of cash flows for such Fiscal Year, and a combined and an audited combining statement of revenues and expenses for such Fiscal Year, showing in each case in comparative form the financial figures for the preceding Fiscal Year, together with a separate written statement of the Accountants preparing such report (or another firm of Accountants) containing calculations of the Obligated Group's Days Cash on Hand at the end of such Fiscal Year and a statement that such Accountants have no knowledge of any default under this Master Trust Indenture insofar as it relates to accounting matters or to the Obligated Group's financial covenants, or if such Accountants shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof.

(4) On or before the date of delivery of the financial reports referred to in subsection (a)(1) or (a)(2) above, an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Trust Indenture, any Related Loan Agreement, and any Related Bond Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying Days Cash on Hand, as of the end of such Fiscal Quarter or Fiscal Year, as appropriate, and (C) certifying that the UCC-1 Financing Statement filed with the New York State Recording Office to perfect the security interest in the Trust Estate granted to the Master Trustee hereunder is in full force and effect and disclosing the expiration date of such financing statement.

(5) Any correspondence to or from the Internal Revenue Service concerning the status of each Member of the Obligated Group as an organization described in Section 501(c)(3) of the Code or with respect to the tax-exempt status of any Related Bonds, promptly upon receipt.

(6) To the extent that any Obligated Group Member incurs permitted Additional Indebtedness of a form for which there is not a CUSIP number (the "non-Public Debt"), the Obligated Group Representative will provide a debt service schedule showing the principal and interest associated with each series of Related Bonds then outstanding as well as the non-Public Debt and the aggregate debt service of the Obligated Group; provided, however, to the extent that the Additional Indebtedness is used to construct or improve additional educational facilities, the Obligated Group Representative will provide monthly reports (A) regarding whether the construction of such additional educational facilities is within the construction budget and if not, a brief explanation and a copy of any revised budget, and on schedule with the construction timetable and if not, a brief

explanation and a copy of any revised timetable, and (B) reconciling the amount of construction contingency remaining and the uses of the contingency funds to date.

(7) The Obligated Group Agent shall disseminate monthly but as soon as practicable a summary statement as to the status of construction for any construction project in excess of \$10,000,000.

(8) Any other reasonable information requested by the Bondholder Representative within 30 days of such request.

(9) Copies of any internal academic reports within 10 days of preparation thereof.

(10) Quarterly bank and investment statements of the Obligated Group within 15 days of quarter end.

(b) The Obligated Group Representative will furnish or cause to be furnished to the Bondholder Representative, such information regarding the status of real estate matters, enrollment data, additional budget detail and/or additional operating data as requested in writing by the Bondholder Representative.

(G) Permitted Additional Indebtedness.

Section 4.16 is revised to include the following at the end of such Section:

It is agreed and understood by the parties hereto that the Obligated Group will not incur any Additional Indebtedness, including permitted Additional Indebtedness, set forth in this Section or draw any additional amounts under the Popular Bank Agreement without the receipt by the Master Trustee of the consent of the Bondholder Representative except for: (i) Subordinated Indebtedness for working capital purposes inclusive of any leasehold interest, capital or operating leases up to \$1,000,000 in the aggregate, (ii) the existing bank line of credit up to \$10,000,000, (iii) the PFA Master Note and the PFA Loan Agreement and (iv) the Build NYC Master Note Series 2020B/C and the Build NYC Loan Agreement.

(H) Sale or Lease of Property.

(1) Subsection (g) of Section 4.18 is revised to read as follows:

in connection with the Permitted Transfer, the execution of a purchase and sale agreement or similar document shall not constitute a transfer in accordance with this subsection; however, after the sale and cash receipt of the proceeds of the property subject to the Permitted Transfer, the Cash and Investments of the Members of the Obligated Group shall equal at least \$150,000,000.

(2) Section 4.19(b) of the Master Trust Indenture is revised to add the following at the end of such Section:

No lien incurred pursuant to this subsection (b) shall be classified as a Permitted Encumbrance without the Bondholder Representative's prior written consent.

(I) Days Cash on Hand.

The second paragraph of Section 4.20 to the Master Trust Indenture is revised to read as follows:

(1) Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 250 Days Cash on Hand (the “Liquidity Requirement”). In addition to the Liquidity Requirement, the Obligated Group shall maintain Cash and Investments of no less than \$40,000,000 prior to the completion of the Permitted Transfer. Subsequent to the completion of the Permitted Transfer and the receipt of all proceeds of the Permitted Transfer, Cash and Investments shall be no less than \$150,000,000.

(2) The last paragraph of Section 4.20 of the Master Trust Indenture is revised to read as follows:

If the Days Cash on Hand of the Obligated Group is less than the Liquidity Requirement on a Testing Date as provided herein, the Obligated Group will deliver the financial information and the calculations described in the above paragraph on a monthly basis within 45 days of the end of each month until the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.

Failure on the part of any Obligated Group Member to satisfy the Liquidity Requirement on any Testing Date shall be an Event of Default under this Master Indenture.

(J) Environmental. New paragraphs (g) and (h) are added to the end of Section 4.23 of the Master Trust Indenture to read as follows:

(g) The Obligated Group covenants to implement an operating and maintenance plan for both asbestos containing materials and lead based paint. Each Obligated Group Member agrees that prior to any construction or demolition activities that could disturb these substances, a comprehensive hazardous building materials survey will be conducted and these materials, if any, will be properly removed.

(h) The Obligor has not used Hazardous Substances on, from, or affecting the Facilities in any manner that violates any applicable Legal Requirements governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Substances, and except as set forth in the Environmental Audit, to the best of the Obligor’s knowledge, no prior owner or occupant of the Facilities has used Hazardous Substances on, from, or affecting the Facilities in any manner that violates any applicable Legal Requirements.

(K) A new Section 4.25 shall be added to the Master Trust Indenture to read in its entirety as follows:

(i) Enrollment.

The Obligated Group covenants to maintain enrollment at its educational facilities of at least 2,100 students. Failure on the part of the Obligated Group to maintain enrollment of at least 2,100 students shall be an Event of Default under the Master Trust Indenture.

(ii) Working Capital.

The Obligated Group projects potential operating losses (“Operating Losses”) to be incurred in each of the following years in the amounts set forth below:

2020 – \$9,100,000
2021 – 9,700,000
2022 – 7,000,000
2023 – 5,000,000

2024 – 2,000,000

The Obligated Group covenants that it shall not exceed the amount of the Operating Losses set forth above in any year by more than ten percent (10%). Failure on the part of the Obligated Group to comply with the Operating Losses covenant set forth in the immediately preceding sentence shall be an Event of Default under the Master Trust Indenture.

(iii) Rating Covenant. If requested by the Bondholder Representative, the Obligated Group shall apply for a credit rating at its sole cost and expense.

(iv) Avoiding Conflicts of Interest. In order to avoid any actual or potential conflict of interest or appearance of impropriety, the Obligated Group shall maintain a conflicts of interest policy in form satisfactory to the Bondholder Representative. All details of related party transactions and conflicts of interest shall be in writing and disclosed to the Bondholder Representative.

(v) Organizational Documents. The Obligated Group Members shall not amend, revise, modify, waive the provisions of, or alter its articles of incorporation, code of regulations or other organizational documents without the prior written consent of the Bondholder Representative, such consent to not be unreasonably withheld.

(L) Mergers, Etc. Notwithstanding anything contained in Section 5.01 of the Master Trust Indenture to the contrary, no merger, consolidation, sale or conveyance shall occur without the prior written consent of the Bondholder Representative.

(M) Admission of Obligated Group Members. Notwithstanding anything contained in Section 6.01 of the Master Trust Indenture to the contrary, no Person may become a Member of the Obligated Group without the prior written consent of the Bondholder Representative.

(N) Withdrawal of Obligated Group Members. Notwithstanding anything contained in Section 6.03 of the Master Trust Indenture to the contrary, (i) no Person may cease to be a Member of the Obligated Group without the prior written consent of the Bondholder Representative and (ii) the Obligor shall not withdraw from the Obligated Group.

(O) Obligated Group Representative. Notwithstanding anything contained in Section 6.04 of the Master Trust Indenture to the contrary, the Obligor shall continue to be the Obligated Group Representative unless the prior written consent of the Bondholder Representative is obtained.

(P) Events of Default.

(1) Subsection (b) of Section 7.01 of the Master Trust Indenture is revised to include the following language at the end thereof:

“provided, however, that if such default shall last longer than ninety (90) days, it shall constitute an Event of Default; or”

(2) The following additional events shall be Events of Default under Section 7.01 of the Master Trust Indenture:

(a) probation, show cause nonrenewal, termination or revocation of the accreditation of the Obligor unless waived by the Bondholder Representative;

(b) failure to satisfy the Liquidity Requirement on any Testing Date;

(c) failure to comply with the Working Capital covenant set forth in Section K(ii) of this Supplemental No. 1; and

(d) failure to comply with the Enrollment covenant set forth in Section K(i) of this Supplemental No. 1.

(Q) Remedies.

A new paragraph (d) is added to the end of Section 7.03 of the Master Trust Indenture to read as follows:

(d) The following additional remedies shall be available to the Master Trustee with the written consent of the Bondholder Representative or at the direction of the Bondholder Representative:

(1) Board Seat and Rights to Replace Management

The Master Trustee may, with the written consent of the Bondholder Representative and, at the written direction of the Bondholder Representative, shall, to the extent permitted by law, (1) replace any manager(s) of the Obligated Group Members or any management company as directed in writing by the Bondholder Representative, if any, and (2) require the nominating committee of the Obligated Group Members Board in accordance with the Obligor's bylaws, to select from a slate of no less than three qualified independent nominees proposed by the Bondholder Representative, a trustee to be appointed to the Board, it being required that the nominees have no conflict in any relationship with the Bondholder Representative that would impair their ability to serve as a fiduciary of the Obligated Group.

(2) Enter and Market Facility

Upon the occurrence of an Event of Default described in Section 7.01(a) of the Master Trust Indenture, the Master Trustee may, with the written consent of the Bondholder Representative and shall, at the written direction of the Bondholder Representative, enter into the Facility and market the Facility for sale.

(3) Employ Consultant

The Bondholder Representative may enter into any agreement it deems necessary with any consultant selected by the Bondholder Representative for the benefit of the Obligated Group. Such consultant shall be paid by the Obligor or with moneys held by the Master Trustee under the Master Trust Indenture, as directed in writing by the Bondholder Representative. The Obligor shall follow the recommendations of such consultant.

(4) Control over Revenue Fund, Related Mortgage and Deposit Account Control Agreement

Exercise control over the Revenue Fund as described in Section 3.01 of this Master Trust Indenture and exercise any and all remedies under each Related Mortgage and any deposit account control agreements.

(e) Notwithstanding anything contained in this Section 7.03 of the Master Trust Indenture to the contrary, the Master Trustee shall not exercise any remedies permitted under the Master Trust Indenture without the prior written consent of the Bondholder Representative.

(R) Additional Remedial Actions. New Sections 7.18 (Workout Costs) and 7.19 (Confession

of Judgment) shall be added to the end of Article VII to read in their entirety as follows:

Workout Costs

Regardless of whether any action or proceeding is commenced, the Obligated Group shall pay all costs and expenses of the Related Issuer, the Bondholder Representative and the Build NYC Trustee, including, without limitation, attorneys' fees and expenses, incurred by the Related Issuer, the Bondholder Representative and the Build NYC Trustee in: (a) collecting, compromising, and enforcing payment of the Loan Payments; (b) preserving, exercising, and enforcing the rights and remedies of the Related Issuer under the Build NYC Loan Agreement, the other Obligor Documents, and the Build NYC Bond Indenture; and (c) protecting, defending, and preserving the validity and priority of the Liens and security interests granted under the Related Mortgage and the other Obligor Documents. In addition, the Obligated Group shall pay all costs and expenses of the Related Issuer, the Bondholder Representative and the Build NYC Trustee including, without limitation, attorneys' fees and expenses, in connection with negotiating, preparing, executing, and delivering any and all amendments, modifications, and supplements of or to the Build NYC Loan Agreement and any other Obligor Documents and Workout Costs and expenses. All such amounts will be added to the Loan Payments, will be secured by all security interests and Liens securing the Obligations, will bear interest at the highest rate then payable on any of the Loan Payments, and will be due and payable by the Obligor to the Related Issuer, the Bondholder Representative and the Build NYC Trustee immediately upon demand. In the event of any court proceedings, attorneys' fees and costs will be set by the court and not by jury and will be included in any judgment obtained by the Related Issuer, the Bondholder Representative and/or the Build NYC Trustee. The obligations of the Obligated Group arising under this Section shall continue in full force and effect notwithstanding the final payment of the Build NYC Series 2020A Bonds or the termination of the Build NYC Loan Agreement for any reason.

Confession of Judgment

In the event that the Obligor fails to pay when due any amount required to be paid under Section 4.3 or any other amounts due under the Build NYC Loan Agreement or any other Obligor Document, the Obligated Group authorizes any attorney at law licensed in the State to appear on behalf of the Obligated Group in any court having jurisdiction in one or more proceedings, or before any clerk thereof or protonotary or other court official, and to confess judgment against the Obligor, without prior notice or opportunity of the Obligor for prior hearing, in favor of the Build NYC Trustee for the benefit of any Bondholder, the Related Issuer, the Build NYC Trustee, the Bondholder Representative or other interested party, as applicable for the full amount due under the Build NYC Loan Agreement and the other Obligor Documents plus court costs and attorneys' fees and expenses incurred to confess judgment. The Obligor waives the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Obligor any right or privilege of exemption, appeal, stay of execution, or supplementary proceedings, inquisition, extension upon any levy on real estate or personal property, and any other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment. The authority and power to appear for and enter judgment against the Obligor shall not be exhausted by one or more exercises thereof, or by any imperfect exercise thereof, and shall not be extinguished by any judgment entered pursuant thereto; such authority and power may be exercised on one or more occasions from time to time, in the same or different jurisdictions, as often as the Build NYC Trustee or the Bondholder Representative shall deem necessary or advisable, for all of which the Build NYC Loan Agreement shall be sufficient authority.

Notwithstanding the foregoing, in enforcing any judgment by confession obtained against the Obligor in connection with the Build NYC Loan Agreement, the Build NYC Trustee shall not retain, solely with respect to attorneys' fees incurred by the Build NYC Trustee in connection with the Build NYC Loan Agreement, any amounts in excess of the actual amount of attorneys' fees charged or billed to the Build NYC Trustee.

The Build NYC Trustee, the Related Issuer and the Bondholder Representative shall be entitled to recover their attorneys' fees and expenses in connection with enforcing any judgment by confession obtained against the Obligor and each of the Build NYC Trustee, the Related Issuer and the Bondholder Representative shall be entitled to recover its attorneys' fees and expenses in connection with the enforcement of any other provision contained in the Build NYC Loan Agreement.

(S) Successor Master Trustee. Notwithstanding anything contained in Section 8.09 of the Master Trust Indenture to the contrary, any successor Master Trustee shall be acceptable to the Bondholder Representative.

(T) Supplements. Notwithstanding anything contained in Section 9.01 or 9.02 of the Master Trust Indenture, no supplement to the Master Trust Indenture, except for this Supplemental No. 1, Supplemental No. 2 and Supplemental No. 3, shall be entered into without the prior written consent of the Bondholder Representative.

(U) Third Party Beneficiaries. In addition to the parties set forth in Section 11.04 of the Master Trust Indenture, the Bondholder Representative shall be considered a third party beneficiary of the Master Trust Indenture and shall have the same rights, remedies and claims under and in respect thereof as the Master Trustee.

(V) Bondholder Representative Deemed Holder of Build NYC Master Note 2020A. For all purposes of the Master Trust Indenture, so long as the Holders of the Series 2020 Bonds have designated a Bondholder Representative within the meaning of the Build NYC Bond Indenture and the Master Trust Indenture and such entity is deemed to be the Holder of the Series 2020 Bonds under the Build NYC Bond Indenture, such entity shall be deemed to be the Holder of the Build NYC Master Note 2020A and is entitled to provide all consents, directions and waivers, receive all notices and control all remedies with respect thereto to the exclusion of the Holders of the Build NYC Series 2020A Bonds.

(W) Bondholder Representative to Receive Notices. For all purposes of the Master Trust Indenture, so long as the Holders of the Series 2020 Bonds have designated a Bondholder Representative within the meaning of the Build NYC Bond Indenture and the Master Trust Indenture and such entity is deemed to be the Holder of the Series 2020 Bonds under the Build NYC Bond Indenture, such entity shall be entitled to receive copies of all notices sent to or by the parties to the Master Trust Indenture at the same time they are sent pursuant to the terms of the Master Trust Indenture.

ARTICLE V MISCELLANEOUS

SECTION 5.1 Ratification of Master Trust Indenture. As supplemented hereby, the Master Trust Indenture is in all respects ratified and confirmed and the Master Trust Indenture as so supplemented hereby shall be read, taken and construed as one and the same instrument.

SECTION 5.2 Notification to Master Trustee. The Obligor covenants to furnish or cause to be furnished to the Master Trustee:

(a) Notice of any redemption or prepayment of all or a portion of the Build NYC Series 2020A Bonds;

(b) Notice of any Event of Default under the Build NYC Bond Indenture or the Build NYC Loan Agreement;

(c) Notice of any payment made with respect to the Build NYC Series 2020A Bonds pursuant to Section 4.3 of the Build NYC Loan Agreement; and

(d) Notice of any amendment to the Build NYC Loan Agreement or the Build NYC Bond Indenture.

SECTION 5.3 Severability. If any provision of this Supplemental No. 1 shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case and in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases, because it conflicts with any other provision or provisions hereof or any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, sections or subsections contained in this Supplemental No. 1 shall not affect the remaining portions of this Supplemental No. 1 or any part hereof.

SECTION 5.4 Counterparts. This Supplemental No. 1 may be executed in several counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute but one and the same instrument. It shall not be necessary in providing this Supplemental No. 1 to produce or account for more than one of those counterparts. The exchange of copies of this Supplemental No. 1 and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental No. 1 as to the parties hereto and may be used in lieu of the original Supplemental No. 1 and signature pages for all purposes.

SECTION 5.5 Governing Law. This Supplemental No. 1 shall be governed by and construed in accordance with the laws of the State of New York.

(SIGNATURE PAGE TO SUPPLEMENTAL NO. 1)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental No. 1 to be duly executed by persons thereunto duly authorized, as of the day and year first written above.

ST. FRANCIS COLLEGE,
as Obligor

By: _____
Name: Maureen M. Lawrence
Title: Chief Financial Officer

UMB BANK, NATIONAL ASSOCIATION,
a national banking association, as Master Trustee

By: _____
Authorized Signatory

EXHIBIT A

(FORM OF BUILD NYC MASTER NOTE 2020A)

THIS BUILD NYC MASTER NOTE 2020A HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE STATE SECURITIES OR “BLUE SKY” LAW OF ANY STATE IN THE UNITED STATES OF AMERICA.

\$17,540,000

ST. FRANCIS COLLEGE MASTER TRUST NOTE (BUILD NYC RESOURCE CORPORATION – SERIES 2020A)

ST. FRANCIS COLLEGE (the “Obligor”), on behalf of the Obligated Group (as defined in the Master Trust Indenture, as such term is defined below), for value received, hereby promises to pay to the Build NYC Resource Corporation (together with its successors and assigns the “Issuer”), or registered assigns, at the designated corporate trust office of U.S. Bank National Association, as trustee (in such capacity, the “Build NYC Trustee”), the principal sum of \$17,540,000 on the Loan Payment Date (as defined in the Build NYC Loan Agreement) immediately preceding the 31st day of December, 2025, and to pay interest on the unpaid principal balance hereof on (a) June 26, 2020 in an amount equal to all of the interest which will become due and payable on the Build NYC Series 2020A Bonds (as defined below) on June 30, 2020 and (b) thereafter on the 10th day of each month commencing July 10, 2020, in an amount equal to one-sixth (1/6) of the amount of interest which will become due and payable on the Build NYC Series 2020A Bonds on the next succeeding Interest Payment Date at the rate of interest then applicable to the Build NYC Series 2020A Bonds.

Principal of, premium, if any, Purchase Price and interest on this Build NYC Master Note 2020A (as defined herein) are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal hereof, premium, if any, Purchase Price and interest hereon shall be payable in immediately available funds by depositing the same with the Build NYC Trustee, at or prior to the opening of business on the date the same shall become due and payable, and by giving notice of payment to the Master Trustee, as herein defined.

This Build NYC Master Note 2020A is issued in the principal amount of \$17,540,000 and is designated as the “St. Francis College Master Trust Note (Build NYC Resource Corporation – Series 2020A)” (together with all Obligations issued under the Master Trust Indenture hereinafter defined, the “Obligations”) issued under and pursuant to Supplemental Indenture No. 1 dated as of June 1, 2020 (the “Supplemental No. 1”), supplementing and amending the Master Trust Indenture, dated as of June 1, 2020, between the Obligor and UMB Bank, National Association, as Master Trustee (in such capacity, the “Master Trustee”), and delivered pursuant to a Loan Agreement between the Issuer and the Obligor, dated as of June 1, 2020 (the “Build NYC Loan Agreement”). The Master Trust Indenture, dated as of June 1, 2020, as amended and supplemented, including by Supplemental No. 1, is herein called the “Master Trust Indenture.”

Pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members described therein will be jointly and severally liable for the payment of this Build NYC Master Note 2020A and all other Obligations.

This Build NYC Master Note 2020A is issued for the purpose of securing the payment of the principal of, premium, if any, Purchase Price and interest on the Issuer’s \$17,540,000 Revenue Bonds (St. Francis College Project), Series 2020A (the “Build NYC Series 2020A Bonds”). The Build NYC Series 2020A Bonds are 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 May 12, 2020 authorizing the issuance of the Build NYC Series 2020A Bonds and under and pursuant to an Indenture of Trust, dated as of June 1, 2020 (the “Build NYC Bond Indenture”), between the Issuer and the Build NYC Trustee, for the purpose of funding a loan to the Obligor for (i) the refunding and defeasance of the DASNY 2014 Bonds (as defined in the Build NYC Bond Indenture); (ii) the financing and refinancing of the New Money Bond Financed Property (as defined in the Build NYC Bond Indenture) at the Facility (as defined in the Build NYC Bond Indenture), including classroom furniture, energy efficient upgrades and information technology and related items of personal property; (iii) the funding of a debt service reserve fund; and (iv) paying a portion of the costs of issuance with respect to the Build NYC Series 2020A Bonds.

In addition to all payments of the principal of and interest on this Build NYC Master Note 2020A, the Obligated Group (as defined in the Master Trust Indenture) shall pay to the Issuer and its successors and assigns, and to the other parties entitled thereto, all other amounts due or becoming due under the Build NYC Loan Agreement, in the amounts and at the times required by the Build NYC Loan Agreement.

Copies of the Master Trust Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Trust Indenture for the provisions, among others, with respect to the nature and extent of the rights of the holder of this Build NYC Master Note 2020A, the terms and conditions on which, and the purposes for which, this Build NYC Master Note 2020A is issued, and the rights, duties and obligations of the Obligated Group and the Master Trustee under the Master Trust Indenture, to all of which the holder hereof, by acceptance of this Master Note Build NYC 2020A, assents. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Master Trust Indenture or in the Build NYC Bond Indenture.

Any amounts in the Interest Account or the Principal Account in the Bond Fund (Tax-Exempt) (as defined in the Build NYC Bond Indenture) at the close of business of the Build NYC Trustee on the day immediately preceding any payment date on this Build NYC Master Note 2020A in excess of the aggregate amount then required to be contained in such Account of such Bond Fund (Tax-Exempt) shall be credited against the payments due by the Obligor and the other Obligated Group Members on such next succeeding principal or interest payment date, on this Build NYC Master Note 2020A.

To the extent permitted by, and as provided in, the Master Trust Indenture, modifications or changes of the Master Trust Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group Members and of the holders of the Obligations in any particular may be made with the consent of the Master Trustee and the Obligated Group Members and, in certain circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding under the Master Trust Indenture. No such modification or change shall be made which will reduce the percentage of the Obligations, the consent of the holders of which is required to consent to such supplemental indenture, or permit a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, or which will effect a change in the times, amount and currency of payment of the principal of, premium, if any, Purchase Price or interest on any Obligation or a reduction in the principal amount, redemption price or Purchase Price of any Obligation or the rate of interest thereon, without the consent of the holder of such Obligation. Any such consent by the holder of this Build NYC Master Note 2020A shall be conclusive and binding upon such holder and all future holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Build NYC Master Note 2020A.

In the manner and with the effect provided in the Master Trust Indenture, this Build NYC Master Note 2020A will be subject to optional and mandatory prepayment and redemption prior to maturity, in whole or in part, at the times, upon the conditions and with the payments set forth in the Build NYC Bond Indenture for redemption of the Build NYC Series 2020A Bonds.

Any redemption, either in whole or in part, shall be made upon such notice to the Master Trustee as set forth in the manner and upon the terms and conditions provided in the Master Trust Indenture. If this Build NYC Master Note 2020A shall have been duly called for redemption and payment of the redemption price, together with interest accrued thereon to the date fixed for redemption, shall have been made or provided for, as more fully set forth in the Master Trust Indenture and the Build NYC Bond Indenture, interest on the principal portion of this Build NYC Master Note Series 2020A so redeemed and prepaid shall cease to accrue.

Upon the occurrence of certain Events of Default, the principal of all outstanding Obligations, including this Build NYC Master Note 2020A, may be declared due and payable, and thereupon shall become due and payable as provided in the Master Trust Indenture.

Upon the occurrence of certain Events of Default, the principal of all outstanding Obligations, including this Build NYC Master Note 2020A, may be declared due and payable, and thereupon shall become due and payable as provided in the Master Trust Indenture.

The holder of this Build NYC Master Note 2020A shall have no right to enforce the provisions of the Master Trust Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Trust Indenture.

This Build NYC Master Note 2020A shall be registered on the register to be maintained by the Master Trustee and this Build NYC Master Note 2020A shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Obligor shall execute and the Master Trustee shall authenticate and deliver in exchange for this Build NYC Master Note 2020A, a new registered Build NYC Master Note 2020A without coupons, registered in the name of the transferee.

Concurrently with any such transfer, the transferor shall also provide or cause to be provided to the Master Trustee all information necessary to allow the Master Trustee to comply with any applicable tax reporting obligations. The Master Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Obligor and the other Obligated Group Members, the Master Trustee and any paying agent for the Obligations may deem and treat the Person in whose name this Build NYC Master Note 2020A is registered as the absolute owner hereof for all purposes; and neither the Obligor and the other Obligated Group Members, any paying agent, the Master Trustee nor any Obligations registrar shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Build NYC Master Note 2020A.

No covenant or agreement contained in this Build NYC Master Note 2020A or the Master Trust Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any of the Obligated Group Members in his individual capacity, and neither the Board of Directors of any of the Obligated Group Members nor any officer executing this Build NYC Master Note 2020A shall be liable personally on this Build NYC Master Note 2020A or be subject to any personal liability or accountability by reason of the issuance of this Build NYC Master Note 2020A.

This Build NYC Master Note 2020A shall not be entitled to any benefit under the Master Trust Indenture, or be valid or become obligatory for any purpose, until this Build NYC Master Note 2020A shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Obligor has caused this Build NYC Master Note 2020A to be executed in its name and on its behalf by the manual or facsimile signature of its Chief Financial Officer as of _____, 2020.

ST. FRANCIS COLLEGE

By: _____
Name: Maureen M. Lawrence
Title: Chief Financial Officer

(FORM OF ENDORSEMENT BY OBLIGATED GROUP REPRESENTATIVE)

The undersigned Obligor (as defined in the within mentioned Master Trust Indenture) hereby certifies that, pursuant to the provisions of the Master Trust Indenture, the obligor on this Build NYC Master Note 2020A and all other Obligated Group Members referred to and defined in the Master Trust Indenture are jointly and severally obligated hereon. The Obligated Group Members as of the date of execution and delivery of this Build NYC Master Note 2020A, including the obligor hereon, are identified on Schedule A attached hereto.

Any Person (as defined in the Master Trust Indenture) who shall satisfy the conditions set forth in the Master Trust Indenture and become an Obligated Group Member subsequent to the date of execution and delivery of this Build NYC Master Note 2020A shall thereupon and thereafter likewise be jointly and severally obligated on this Build NYC Master Note 2020A, whether or not the name of such Person shall appear on or be added to Schedule A.

If any Person (including the obligor hereon) who is on the date of execution and delivery of this Build NYC Master Note 2020A, or who shall thereafter become, an Obligated Group Member and thus jointly and severally obligated hereon, shall satisfy the conditions set forth in the Master Trust Indenture for withdrawal from the Obligated Group and shall withdraw from the Obligated Group pursuant to written release executed by the Master Trustee (if so permitted under the Master Trust Indenture), such Person shall thereupon and thereafter be released from any further liability or obligation on this Build NYC Master Note 2020A and under the Master Trust Indenture, whether or not the name of such Person shall appear on or be deleted from Schedule A.

Promptly after any such withdrawal and release, the Master Trustee shall give written notice thereof by mail to each Related Bond Trustee (as defined in the Master Trust Indenture) and to all other holders of Obligations at their last addresses as they shall appear upon the register maintained as provided in the Master Trust Indenture. Such notice may set forth, in addition to other matters deemed by the Master Trustee to be properly included therein, a statement that Outstanding Obligations must be presented to the Master Trustee for notation of such withdrawal and release thereon or surrendered to the Master Trustee in exchange for one or more substitute Obligations delivered pursuant to the provisions of the Master Trust Indenture.

ST. FRANCIS COLLEGE

By: _____
Name: Maureen M. Lawrence
Title: Chief Financial Officer

(FORM OF MASTER TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Build NYC Master Note 2020A is one of the Obligations referred to in the aforementioned Master Trust Indenture.

UMB BANK, NATIONAL ASSOCIATION, a
national banking association, not in its individual
capacity, but solely as Master Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 2020

(FORM OF ASSIGNMENT TO BUILD NYC TRUSTEE)

Pay to the order of U.S. Bank National Association, as Build NYC Trustee for the owners of the Build NYC Series 2020A Bonds hereinabove mentioned, without warranty and without recourse against the undersigned.

BUILD NYC RESOURCE CORPORATION

By: _____
Name: Krishna Omolade
Title: Executive Director

(FORM OF SCHEDULE A)

Members of the Obligated Group

Name

Address for Notices

St. Francis College

180 Remsen Street
Brooklyn, New York 11201
Attention: President and/or
Chief Financial Officer

ST. FRANCIS COLLEGE
as the Obligated Group Representative and an Obligated Group Member

and

UMB BANK, NATIONAL ASSOCIATION,
as Master Trustee

SUPPLEMENTAL INDENTURE NO. 2

Dated as of June 1, 2020

Relating to

\$24,515,000
BUILD NYC RESOURCE CORPORATION
REVENUE BONDS
(ST. FRANCIS COLLEGE PROJECT), SERIES 2020B/C

SUPPLEMENTAL INDENTURE NO. 2

THIS SUPPLEMENTAL INDENTURE NO. 2, dated as of June 1, 2020 (this “Supplemental No. 2”), between **ST. FRANCIS COLLEGE**, as the Obligated Group Representative and an Obligated Group Member (the “Obligor”) and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers in the State of New York, as trustee (in such capacity, the “Master Trustee”).

WITNESSETH:

WHEREAS, Build NYC Resource Corporation (the “Issuer” or the “Related Issuer”) has contemporaneously herewith issued its \$24,515,000 Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) (the “Build NYC Series 2020B Bonds”) pursuant to an Indenture of Trust, dated as of June 1, 2020 (the “Build NYC Bond Indenture”) by and between the Issuer and U.S. Bank National Association, as bond trustee (the “Build NYC Trustee”) for the purpose of funding a loan to the Obligor to finance a project (the “Project”) consisting of (i) the refunding and defeasance of the DASNY 2010 Bonds (as defined in the Build NYC Bond Indenture); (ii) the funding of a debt service reserve fund; and (iii) paying a portion of the costs of issuance of the Build NYC Series 2020B Bonds;

WHEREAS, the Issuer has authorized but not issued its Revenue Bonds (St. Francis College Project), Series 2020C (the “Build NYC Series 2020C Bonds” and, together with the Build NYC Series 2020B Bonds, the “Build NYC Series 2020B/C Bonds”) pursuant to the Build NYC Bond Indenture to effect the redemption in whole of the Build NYC Series 2020B Bonds;

WHEREAS, the Build NYC 2020B Bonds are intended to be retired by the Build NYC 2020C Bonds when issued, and references herein to the Build NYC 2020B/C Bonds are intended to apply to each respective series to the extent such series is outstanding;

WHEREAS, simultaneously with the issuance of the Build NYC Series 2020B Bonds, the Obligor will enter into a Loan Agreement dated as of June 1, 2020 (the “Build NYC Loan Agreement”) with the Issuer pursuant to which the Issuer is making the proceeds of the Build NYC Series 2020B/C Bonds available to the Obligor (the “Build NYC 2020B/C Loan”) to finance a portion of the costs of the Project;

WHEREAS, simultaneously with the issuance of the Build NYC Series 2020B/C Bonds, the Obligor has entered into a Master Trust Indenture with the Master Trustee, as supplemented by this Supplemental No. 2 and as contemporaneously supplemented by Supplemental Indenture No. 1 dated as of June 1, 2020 (the “Supplemental No. 1”) and by Supplemental Indenture No. 3 dated as of June 1, 2020 (the “Supplemental No. 3”) (the Master Trust Indenture dated as of June 1, 2020, as supplemented by Supplemental No. 1, this Supplemental No. 2 and Supplemental No. 3, and as may hereafter be amended or supplemented, the “Master Trust Indenture”), and will issue its Build NYC Master Note 2020B/C (as defined herein), contemporaneously with its Build NYC Master Note 2020A and its PFA Master Note, as an Obligation under the Master Trust Indenture. The Build NYC Master Note 2020B/C, the Build NYC Master Note 2020A and the PFA Master Note will be secured on a parity basis with each other and any other Obligations hereafter issued under the Master Trust Indenture;

WHEREAS, pursuant to the Build NYC Loan Agreement, the Obligor has agreed to issue the Build NYC Master Note 2020B/C created by this Supplemental No. 2 to evidence the obligation of the Obligor to make the payments required under the Build NYC Loan Agreement with respect to the Build NYC Series 2020B/C Bonds;

WHEREAS, the Obligor is authorized by law and by the Master Trust Indenture, and deems it necessary and desirable, to issue and deliver, on behalf of the Obligated Group, the Build NYC Master Note 2020B/C as an Obligation pursuant to the Master Trust Indenture and this Supplemental No. 2;

WHEREAS, pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members will be jointly and severally liable for payment of the Obligation; and

WHEREAS, all acts and things necessary to make the Obligation authorized by this Supplemental No. 2, when executed by the Obligor, on behalf of the Obligated Group, and authenticated and delivered by the Master Trustee as provided in the Master Trust Indenture and this Supplemental No. 2, the valid, binding and legal obligation of the Obligated Group, and to constitute these presents, together with the Master Trust Indenture, a valid indenture and agreement according to its terms and the terms of the Master Trust Indenture, have been done and performed and the execution of this Supplemental No. 2 and the issue hereunder and under the Master Trust Indenture of the Obligation created by this Supplemental No. 2 have in all respects been duly authorized, and the Obligor, in the exercise of the legal right and power vested in it, executes this Supplemental No. 2 on behalf of the Obligated Group and proposes to make, execute, issue and deliver the Obligation created hereby.

NOW, THEREFORE, THIS SUPPLEMENTAL NO. 2 WITNESSETH:

That in order to declare the terms and conditions upon which the Obligation authorized hereby is authenticated, issued and delivered, and in consideration of the premises and the purchase and acceptance of the Obligation created hereby by the holder thereof, the Obligor, on behalf of the Obligated Group Members, covenants and agrees with the Master Trustee as follows:

**ARTICLE I.
DEFINITION OF TERMS**

The terms used in this Supplemental No. 2 shall, except as otherwise stated herein, have the meanings assigned to them in the Master Trust Indenture. Unless the context otherwise requires, the following words and phrases shall have the following meanings in the Master Trust Indenture so long as the Build NYC Master Note 2020B/C is Outstanding.

“Bondholder Representative” means (i) Hamlin so long as the beneficial owners of at least a majority in aggregate principal amount of the Series 2020 Bonds (as defined in the Build NYC Bond Indenture) Outstanding are Persons for whom Hamlin serves as investment advisor, and (ii) at any other time, any entity designated as Bondholder Representative by a written appointment, delivered to the Build NYC Trustee, by the beneficial owners of at least a majority in aggregate principal amount of Series 2020 Bonds Outstanding. If there shall be no designee, the term Bondholder Representative shall be disregarded. Hamlin will provide immediate written notice to the Build NYC Trustee, the Master Trustee, and the Obligor when clause (i) above is no longer applicable.

“Environmental Audit” means that certain Phase I Environmental Site Assessment Report dated January 9, 2020, prepared by the Environmental Auditor.

“Environmental Auditor” means CBRE, Inc.

“Hamlin” means Hamlin Capital Management, LLC and its successors and assigns.

“Popular Bank Agreement” means the agreement entered into between the Obligor and Popular Bank dated December 30, 2019.

“Related Bond Indenture” means the Build NYC Bond Indenture, as the same may be amended and supplemented from time to time.

“Related Bond Trustee” means the Build NYC Trustee and its successors and assigns.

“Related Bonds” means the Build NYC Series 2020B/C Bonds.

“Related Debt Service Reserve Fund” means the Debt Service Reserve Fund (Series 2020B/C) established pursuant to the terms of the Build NYC Bond Indenture.

“Related Issuer” means the Build NYC Resource Corporation and its successors and assigns.

“Related Loan Agreement” means the Build NYC Loan Agreement, as the same may be amended and supplemented from time to time.

“Related Mortgage” means, collectively, (i) the Master Mortgage and Security Agreement (Acquisition Loan), dated as of June 1, 2020, from the Obligor to the Related Issuer and the Master Trustee, as assigned by the Related Issuer to the Master Trustee, (ii) the Master Mortgage and Security (Indirect Loan), dated as of June 1, 2020, from the Obligor to the Related Issuer and the Master Trustee, as assigned by the Related Issuer to the Master Trustee, (iii) the Master Assignment of Leases and Rents (Acquisition Loan), dated as of June 1, 2020, from the Obligor to the Related Issuer and the Master Trustee, as assigned by the Related Issuer to the Master Trustee, and (iv) the Master Assignment of Leases and Rents (Indirect Loan), dated as of June 1, 2020, from the Obligor to the Related Issuer and the Master Trustee, as assigned by the Related Issuer to the Master Trustee, as each of the same may be amended and supplemented from time to time.

ARTICLE II.

BUILD NYC MASTER NOTE 2020B/C

There is hereby created as an Obligation under the Master Trust Indenture a promissory note to be known and entitled “St. Francis College Master Trust Note (Build NYC Resource Corporation – Series 2020B/C)” securing the Build NYC Series 2020B/C Bonds (the “Build NYC Master Note 2020B/C”). The Build NYC Master Note 2020B/C, in the principal amount of \$24,515,000, may be executed, authenticated and delivered in accordance with Article II of the Master Trust Indenture.

The Build NYC Master Note 2020B/C created hereby shall be in the form of a fully registered Obligation without coupons, shall be dated June 22, 2020, shall bear interest from its date thereof in the amount set forth in such Build NYC Master Note 2020B/C, payable as set forth in the Build NYC Master Note 2020B/C, and shall be substantially in the form attached hereto as Exhibit A.

ARTICLE III.

PREPAYMENT; PARTIAL REDEMPTION; MISCELLANEOUS

The Build NYC Master Note 2020B/C created hereby and its principal balance shall be subject to optional and mandatory prepayment and redemption prior to maturity, in whole or in part, at the times, upon the conditions and with the payments set forth in the Build NYC Bond Indenture for redemption of the Build NYC Series 2020B/C Bonds. Any prepayment of the principal of the Build NYC Master Note 2020B/C shall be credited against the principal amount of the Build NYC Series 2020B/C Bonds redeemed with the proceeds of such prepayment, and interest on the Build NYC Master Note 2020B/C or principal portion thereof so called for prepayment or redemption shall cease to accrue.

If the Obligor (i) shall have elected to apply the Build NYC Series 2020B/C Bonds that have been acquired by the Obligated Group Members or the Issuer and delivered to the Build NYC Trustee for cancellation by the Build NYC Trustee, in payment of all or a part of the unpaid principal balance of the Build NYC Series 2020B/C Bonds, (ii) shall have delivered written notice thereof to the Issuer and a copy thereof to the Build NYC Trustee in accordance with the Build NYC Bond Indenture, and (iii) the Issuer shall have received 100% of the principal amount of the Build NYC Series 2020B/C Bonds thus applied, then the Build NYC Trustee shall promptly notify the Master Trustee, whereupon the Obligor and the other Obligated Group

Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Build NYC Master Note 2020B/C on the same date as the payment of principal of the Build NYC Series 2020B/C Bonds have been applied, and the principal amount of the Build NYC Master Note 2020B/C due on such date will be reduced accordingly.

The Obligated Group Members shall receive a cash credit against the interest obligations on the Build NYC Master Note 2020B/C on any interest payment date equal to the amount then on deposit in the Bond Fund (Taxable) (for so long as the Build NYC Series 2020B Bonds are Outstanding) or the Bond Fund (Tax-Exempt) (for so long as the Build NYC Series 2020C Bonds are Outstanding) pursuant to the Build NYC Bond Indenture for the payment of interest on the Build NYC Series 2020B/C Bonds. The place of payment for the Build NYC Master Note 2020B/C shall be the designated corporate trust office of the Build NYC Trustee.

MASTER TRUST INDENTURE COVENANTS

SECTION 4.01 Certain Covenants with Respect to the Build NYC Series 2020B/C Bonds. So long as any Build NYC Series 2020B/C Bond is Outstanding, unless waived or otherwise agreed to by the Holder of the Build NYC Master Note 2020B/C, with the consent of the Bondholder Representative, or as directed by a majority in aggregate principal amount of the holders of the Build NYC Series 2020B/C Bonds Outstanding, each Member of the Obligated Group agrees that the following provisions of the Master Trust Indenture shall be revised as follows:

(A) Definitions.

(1) The definition “Permitted Encumbrances” is revised to include the following paragraphs (v), (w) and (x) following paragraph (u):

(v) any liens in connection with the recordation of a purchase and sale agreement in advance of the sale of the property which is the proposed subject of a Permitted Transfer.

(w) (i) the Mortgage made by St. Francis College (a New York not-for-profit education corporation) to Build NYC Resource Corporation, as Issuer and Mortgagee and UMB Bank, National Association, as Master Trustee and Mortgagee in the principal amount of \$3,772,844.00 dated June 22, 2020 and to be duly recorded in the Office of the City Register of the County of Kings, (ii) the Mortgage made by St. Francis College (a New York not-for-profit education corporation) to Build NYC Resource Corporation, as Issuer and Mortgagee and UMB Bank, National Association, as Master Trustee and Mortgagee in the principal amount of \$38,282,156.00 dated June 22, 2020 and to be duly recorded in the Office of the City Register of the County of Kings, and (iii) the Mortgage made by St. Francis College (a New York not-for-profit education corporation) to UMB Bank, National Association, as Master Trustee and Mortgagee in the principal amount not to exceed \$33,745,000.00 dated June 22, 2020 and to be duly recorded in the Office of the City Register of the County of Kings.

(x) any other liens permitted by the Bondholder Representative.

(2) Bondholder Representative Approval of Parties. The definitions of “Accountant,” “Bond Counsel,” “Consultant,” “Current Value” (with respect to the appraiser referenced therein), “Independent Counsel,” and “Insurance Consultant” shall all be amended to include that such party is acceptable to the Bondholder Representative.

(3) The definition of “Indemnified Party” is revised to include the Bondholder Representative and its officers, directors, employees and agents.

(4) The definition of “Required Information Recipient” is revised to include the Bondholder Representative.

(5) The definition of “Threshold Amount” is revised to mean \$1,000,000.

(6) “Depository Bank” means TD Bank, N.A., together with its successors and assigns in such capacity, and any successor Depository Bank.

(7) “Initial Purchaser” means RBC Capital Markets, LLC.

(B) Reserve Fund Credit Facility. No Reserve Fund Credit Facilities shall be permitted without the prior written consent of the Bondholder Representative.

(C) Revenue Fund. The deposit account control agreement referenced in the last sentence of Section 3.01(a) of the Master Trust Indenture shall be required as a condition to the issuance of the Build NYC Master Note 2020B/C.

(D) Debt Service Reserve Fund. No Debt Service Reserve Fund or Composite Reserve Account shall be set up under the Master Trust Indenture for the Build NYC Master Note 2020B/C under Section 3.01(e) of the Master Trust Indenture.

(E) Insurance.

Section 4.10 is revised to include the following sentences:

Each Obligated Group Member agrees that it will follow any recommendations of the Insurance Consultant unless such recommendations are not commercially unreasonable. Any self-insurance or multi-provider risk retention group described in this Section shall require the prior written consent of the Bondholder Representative.

In the event pursuant to Section 8.1(h)(vi) of the Build NYC Loan Agreement, any exception to the requirements under Section 8.1 is made by the Issuer, if any such exception shall serve to lessen a requirement of the Obligated Group Member under such Section 8.1, the prior written consent of the Bondholder Representative shall be required and if required, shall not be unreasonably withheld.

(F) Contents of Certificates and Opinions; Use of GAAP.

(1) Section 4.15(a) is revised to include the following sentence at the end of such paragraph: “The Annual Budget shall be acceptable to the Bondholder Representative.”

(2) The following provisions shall be added to Section 4.15:

(a) The Obligated Group Representative will furnish or cause to be furnished to each of the Required Information Recipients and the Bondholder Representative (and the Master Trustee shall have no duty or obligation to review or examine the contents thereof), all of the following:

(1) Commencing with the fiscal quarter ending December 31, 2020, quarterly unaudited financial statements of the Obligated Group as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal quarter, including a combined or combining statement of revenues and expenses and statement of cash flows of the Obligated Group during such period, a combined or combining balance sheet as of the end of each such fiscal quarter, and a calculation of Days Cash on Hand, all

prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative in an Officer's Certificate. Such financial statements and calculations shall be accompanied by a comparison to the Annual Budget.

(2) Commencing with the fiscal quarter ending December 31, 2020, but in no event more than 10 days after the completion of such fiscal quarter, a statement of student enrollment prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative in an Officer's Certificate.

If the Days Cash on Hand of the Obligated Group is less than the Liquidity Requirement on a Testing Date as provided herein, the Obligated Group will deliver the financial information and the calculations described in the above paragraph on a monthly basis within 45 days of the end of each month until the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.

(3) Within 150 days of the end of each Fiscal Year, commencing with the Fiscal Year commencing July 1, 2020, an annual audited financial report of the Obligated Group prepared by Accountants, including a combined and an audited combining balance sheet as of the end of such Fiscal Year, a combined and an audited combining statement of cash flows for such Fiscal Year, and a combined and an audited combining statement of revenues and expenses for such Fiscal Year, showing in each case in comparative form the financial figures for the preceding Fiscal Year, together with a separate written statement of the Accountants preparing such report (or another firm of Accountants) containing calculations of the Obligated Group's Days Cash on Hand at the end of such Fiscal Year and a statement that such Accountants have no knowledge of any default under this Master Trust Indenture insofar as it relates to accounting matters or to the Obligated Group's financial covenants, or if such Accountants shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof.

(4) On or before the date of delivery of the financial reports referred to in subsection (a)(1) or (a)(2) above, an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Trust Indenture, any Related Loan Agreement, and any Related Bond Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying Days Cash on Hand, as of the end of such Fiscal Quarter or Fiscal Year, as appropriate, and (C) certifying that the UCC-1 Financing Statement filed with the New York State Recording Office to perfect the security interest in the Trust Estate granted to the Master Trustee hereunder is in full force and effect and disclosing the expiration date of such financing statement.

(5) Any correspondence to or from the Internal Revenue Service concerning the status of each Member of the Obligated Group as an organization described in Section 501(c)(3) of the Code or with respect to the tax-exempt status of any Related Bonds, promptly upon receipt.

(6) To the extent that any Obligated Group Member incurs permitted Additional Indebtedness of a form for which there is not a CUSIP number (the "non-Public Debt"), the Obligated Group Representative will provide a debt service schedule showing the principal and interest associated with each series of Related Bonds then outstanding as well as the non-Public Debt and the aggregate debt service of the Obligated Group; provided, however, to the extent that the Additional Indebtedness is used to construct or improve additional educational facilities, the Obligated Group Representative will provide monthly reports (A) regarding whether the construction of such additional educational facilities is within the construction budget and if not, a brief explanation and a copy of any

revised budget, and on schedule with the construction timetable and if not, a brief explanation and a copy of any revised timetable, and (B) reconciling the amount of construction contingency remaining and the uses of the contingency funds to date.

(7) The Obligated Group Agent shall disseminate monthly but as soon as practicable a summary statement as to the status of construction for any construction project in excess of \$10,000,000.

(8) Any other reasonable information requested by the Bondholder Representative within 30 days of such request.

(9) Copies of any internal academic reports within 10 days of preparation thereof.

(10) Quarterly bank and investment statements of the Obligated Group within 15 days of quarter end.

(b) The Obligated Group Representative will furnish or cause to be furnished to the Bondholder Representative, such information regarding the status of real estate matters, enrollment data, additional budget detail and/or additional operating data as requested in writing by the Bondholder Representative.

(G) Permitted Additional Indebtedness.

Section 4.16 is revised to include the following at the end of such Section:

It is agreed and understood by the parties hereto that the Obligated Group will not incur any Additional Indebtedness, including permitted Additional Indebtedness, set forth in this Section or draw any additional amounts under the Popular Bank Agreement without the receipt by the Master Trustee of the consent of the Bondholder Representative except for: (i) Subordinated Indebtedness for working capital purposes inclusive of any leasehold interest, capital or operating leases up to \$1,000,000 in the aggregate, (ii) the existing bank line of credit up to \$10,000,000, (iii) the PFA Master Note and the PFA Loan Agreement and (iv) the Build NYC Master Note Series 2020A and the Build NYC Loan Agreement.

(H) Sale or Lease of Property.

(1) Subsection (g) of Section 4.18 is revised to read as follows:

in connection with the Permitted Transfer, the execution of a purchase and sale agreement or similar document shall not constitute a transfer in accordance with this subsection; however, after the sale and cash receipt of the proceeds of the property subject to the Permitted Transfer, the Cash and Investments of the Members of the Obligated Group shall equal at least \$150,000,000.

(2) Section 4.19(b) of the Master Trust Indenture is revised to add the following at the end of such Section:

No lien incurred pursuant to this subsection (b) shall be classified as a Permitted Encumbrance without the Bondholder Representative's prior written consent.

(I) Days Cash on Hand.

The second paragraph of Section 4.20 to the Master Trust Indenture is revised to read as

follows:

(1) Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 250 Days Cash on Hand (the “Liquidity Requirement”). In addition to the Liquidity Requirement, the Obligated Group shall maintain Cash and Investments of no less than \$40,000,000 prior to the completion of the Permitted Transfer. Subsequent to the completion of the Permitted Transfer and the receipt of all proceeds of the Permitted Transfer, Cash and Investments shall be no less than \$150,000,000.

(2) The last paragraph of Section 4.20 of the Master Trust Indenture is revised to read as follows:

If the Days Cash on Hand of the Obligated Group is less than the Liquidity Requirement on a Testing Date as provided herein, the Obligated Group will deliver the financial information and the calculations described in the above paragraph on a monthly basis within 45 days of the end of each month until the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.

Failure on the part of any Obligated Group Member to satisfy the Liquidity Requirement on any Testing Date shall be an Event of Default under this Master Indenture.

(J) Environmental. New paragraphs (g) and (h) are added to the end of Section 4.23 of the Master Trust Indenture to read as follows:

(g) The Obligated Group covenants to implement an operating and maintenance plan for both asbestos containing materials and lead based paint. Each Obligated Group Member agrees that prior to any construction or demolition activities that could disturb these substances, a comprehensive hazardous building materials survey will be conducted and these materials, if any, will be properly removed.

(h) The Obligor has not used Hazardous Substances on, from, or affecting the Facilities in any manner that violates any applicable Legal Requirements governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Substances, and except as set forth in the Environmental Audit, to the best of the Obligor’s knowledge, no prior owner or occupant of the Facilities has used Hazardous Substances on, from, or affecting the Facilities in any manner that violates any applicable Legal Requirements.

(K) A new Section 4.25 shall be added to the Master Trust Indenture to read in its entirety as follows:

(i) Enrollment.

The Obligated Group covenants to maintain enrollment at its educational facilities of at least 2,100 students. Failure on the part of the Obligated Group to maintain enrollment of at least 2,100 students shall be an Event of Default under the Master Trust Indenture.

(ii) Working Capital.

The Obligated Group projects potential operating losses (“Operating Losses”) to be incurred in each of the following years in the amounts set forth below:

2020 – \$9,100,000

2021 – 9,700,000

2022 – 7,000,000
2023 – 5,000,000
2024 – 2,000,000

The Obligated Group covenants that it shall not exceed the amount of the Operating Losses set forth above in any year by more than ten percent (10%). Failure on the part of the Obligated Group to comply with the Operating Losses covenant set forth in the immediately preceding sentence shall be an Event of Default under the Master Trust Indenture.

(iii) Rating Covenant. If requested by the Bondholder Representative, the Obligated Group shall apply for a credit rating at its sole cost and expense.

(iv) Avoiding Conflicts of Interest. In order to avoid any actual or potential conflict of interest or appearance of impropriety, the Obligated Group shall maintain a conflicts of interest policy in form satisfactory to the Bondholder Representative. All details of related party transactions and conflicts of interest shall be in writing and disclosed to the Bondholder Representative.

(v) Organizational Documents. The Obligated Group Members shall not amend, revise, modify, waive the provisions of, or alter its articles of incorporation, code of regulations or other organizational documents without the prior written consent of the Bondholder Representative, such consent to not be unreasonably withheld.

(L) Mergers, Etc. Notwithstanding anything contained in Section 5.01 of the Master Trust Indenture to the contrary, no merger, consolidation, sale or conveyance shall occur without the prior written consent of the Bondholder Representative.

(M) Admission of Obligated Group Members. Notwithstanding anything contained in Section 6.01 of the Master Trust Indenture to the contrary, no Person may become a Member of the Obligated Group without the prior written consent of the Bondholder Representative.

(N) Withdrawal of Obligated Group Members. Notwithstanding anything contained in Section 6.03 of the Master Trust Indenture to the contrary, (i) no Person may cease to be a Member of the Obligated Group without the prior written consent of the Bondholder Representative and (ii) the Obligor shall not withdraw from the Obligated Group.

(O) Obligated Group Representative. Notwithstanding anything contained in Section 6.04 of the Master Trust Indenture to the contrary, the Obligor shall continue to be the Obligated Group Representative unless the prior written consent of the Bondholder Representative is obtained.

(P) Events of Default.

(1) Subsection (b) of Section 7.01 of the Master Trust Indenture is revised to include the following language at the end thereof:

“provided, however, that if such default shall last longer than ninety (90) days, it shall constitute an Event of Default; or”

(2) The following additional events shall be Events of Default under Section 7.01 of the Master Trust Indenture:

(a) probation, show cause, nonrenewal, termination or revocation of the accreditation of the Obligor unless waived by the Bondholder Representative;

- (b) failure to satisfy the Liquidity Requirement on any Testing Date;
- (c) failure to comply with the Working Capital covenant set forth in Section K(ii) of this Supplemental No. 2; and
- (d) failure to comply with the Enrollment covenant set forth in Section K(i) of this Supplemental No. 2.

(Q) Remedies.

A new paragraph (d) is added to the end of Section 7.03 of the Master Trust Indenture to read as follows:

(d) The following additional remedies shall be available to the Master Trustee with the written consent of the Bondholder Representative or at the direction of the Bondholder Representative:

(1) Board Seat and Rights to Replace Management

The Master Trustee may, with the written consent of the Bondholder Representative and, at the written direction of the Bondholder Representative, shall, to the extent permitted by law, (1) replace any manager(s) of the Obligated Group Members or any management company as directed in writing by the Bondholder Representative, if any, and (2) require the nominating committee of the Obligated Group Members Board in accordance with the Obligor's bylaws, to select from a slate of no less than three qualified independent nominees proposed by the Bondholder Representative, a trustee to be appointed to the Board, it being required that the nominees have no conflict in any relationship with the Bondholder Representative that would impair their ability serve as a fiduciary of the Obligated Group.

(2) Enter and Market Facility

Upon the occurrence of an Event of Default described in Section 7.01(a) of the Master Trust Indenture, the Master Trustee may, with the written consent of the Bondholder Representative and shall, at the written direction of the Bondholder Representative, enter into the Facility and market the Facility for sale.

(3) Employ Consultant

The Bondholder Representative may enter into any agreement it deems necessary with any consultant selected by the Bondholder Representative for the benefit of the Obligated Group. Such consultant shall be paid by the Obligor or with moneys held by the Master Trustee under the Master Trust Indenture, as directed in writing by the Bondholder Representative. The Obligor shall follow the recommendations of such consultant.

(4) Control over Revenue Fund, Related Mortgage and Deposit Account Control Agreement

Exercise control over the Revenue Fund as described in Section 3.01 of this Master Trust Indenture and exercise any and all remedies under each Related Mortgage and any deposit account control agreements.

(e) Notwithstanding anything contained in this Section 7.03 of the Master Trust Indenture to the contrary, the Master Trustee shall not exercise any remedies permitted under the Master Trust Indenture without the prior written consent of the Bondholder Representative.

(R) Additional Remedial Actions. New Sections 7.18 (Workout Costs) and 7.19 (Confession of Judgment) shall be added to the end of Article VII to read in their entirety as follows:

Workout Costs

Regardless of whether any action or proceeding is commenced, the Obligated Group shall pay all costs and expenses of the Related Issuer, the Bondholder Representative and the Build NYC Trustee, including, without limitation, attorneys' fees and expenses, incurred by the Related Issuer, the Bondholder Representative and the Build NYC Trustee in: (a) collecting, compromising, and enforcing payment of the Loan Payments; (b) preserving, exercising, and enforcing the rights and remedies of the Related Issuer under the Build NYC Loan Agreement, the other Obligor Documents, and the Build NYC Bond Indenture; and (c) protecting, defending, and preserving the validity and priority of the Liens and security interests granted under the Related Mortgage and the other Obligor Documents. In addition, the Obligated Group shall pay all costs and expenses of the Related Issuer, the Bondholder Representative and the Build NYC Trustee including, without limitation, attorneys' fees and expenses, in connection with negotiating, preparing, executing, and delivering any and all amendments, modifications, and supplements of or to the Build NYC Loan Agreement and any other Obligor Documents and Workout Costs and expenses. All such amounts will be added to the Loan Payments, will be secured by all security interests and Liens securing the Obligations, will bear interest at the highest rate then payable on any of the Loan Payments, and will be due and payable by the Obligor to the Related Issuer, the Bondholder Representative and the Build NYC Trustee immediately upon demand. In the event of any court proceedings, attorneys' fees and costs will be set by the court and not by jury and will be included in any judgment obtained by the Related Issuer, the Bondholder Representative and/or the Build NYC Trustee. The obligations of the Obligated Group arising under this Section shall continue in full force and effect notwithstanding the final payment of the Build NYC Series 2020B/C Bonds or the termination of the Build NYC Loan Agreement for any reason.

Confession of Judgment

In the event that the Obligor fails to pay when due any amount required to be paid under Section 4.3 or any other amounts due under the Build NYC Loan Agreement or any other Obligor Document, the Obligated Group authorizes any attorney at law licensed in the State to appear on behalf of the Obligated Group in any court having jurisdiction in one or more proceedings, or before any clerk thereof or protonotary or other court official, and to confess judgment against the Obligor, without prior notice or opportunity of the Obligor for prior hearing, in favor of the Build NYC Trustee for the benefit of any Bondholder, the Related Issuer, the Build NYC Trustee, the Bondholder Representative or other interested party, as applicable for the full amount due under the Build NYC Loan Agreement and the other Obligor Documents plus court costs and attorneys' fees and expenses incurred to confess judgment. The Obligor waives the benefit of any and every statute, ordinance, or rule of court which may be lawfully waived conferring upon the Obligor any right or privilege of exemption, appeal, stay of execution, or supplementary proceedings, inquisition, extension upon any levy on real estate or personal property, and any other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment. The authority and power to appear for and enter judgment against the Obligor shall not be exhausted by one or more exercises thereof, or by any imperfect exercise thereof, and shall not be extinguished by any judgment entered pursuant thereto; such authority and power may be exercised on one or more occasions from time to time, in the same or different jurisdictions, as often as the Build NYC Trustee or the Bondholder Representative shall deem necessary or advisable, for all of which the Build NYC Loan Agreement shall be sufficient authority.

Notwithstanding the foregoing, in enforcing any judgment by confession obtained against the Obligor in connection with the Build NYC Loan Agreement, the Build NYC Trustee shall not retain, solely with respect to attorneys' fees incurred by the Build NYC Trustee in connection with the Build NYC Loan Agreement, any amounts in excess of the actual amount of attorneys' fees charged or billed to the Build NYC Trustee.

The Build NYC Trustee, the Related Issuer and the Bondholder Representative shall be entitled to recover their attorneys' fees and expenses in connection with enforcing any judgment by confession obtained against the Obligor and each of the Build NYC Trustee, the Related Issuer and the Bondholder Representative shall be entitled to recover its attorneys' fees and expenses in connection with the enforcement of any other provision contained in the Build NYC Loan Agreement.

(S) Successor Master Trustee. Notwithstanding anything contained in Section 8.09 of the Master Trust Indenture to the contrary, any successor Master Trustee shall be acceptable to the Bondholder Representative.

(T) Supplements. Notwithstanding anything contained in Section 9.01 or 9.02 of the Master Trust Indenture, no supplement to the Master Trust Indenture, except for this Supplemental No. 2, Supplemental No. 1 and Supplemental No. 3, shall be entered into without the prior written consent of the Bondholder Representative.

(U) Third Party Beneficiaries. In addition to the parties set forth in Section 11.04 of the Master Trust Indenture, the Bondholder Representative shall be considered a third party beneficiary of the Master Trust Indenture and shall have the same rights, remedies and claims under and in respect thereof as the Master Trustee.

(V) Bondholder Representative Deemed Holder of Build NYC Master Note 2020B/C. For all purposes of the Master Trust Indenture, so long as the Holders of the Series 2020 Bonds have designated a Bondholder Representative within the meaning of the Build NYC Bond Indenture and the Master Trust Indenture and such entity is deemed to be the Holder of the Series 2020 Bonds under the Build NYC Bond Indenture, such entity shall be deemed to be the Holder of the Build NYC Master Note 2020B/C and is entitled to provide all consents, directions and waivers, receive all notices and control all remedies with respect thereto to the exclusion of the Holders of the Build NYC Series 2020B/C Bonds.

(W) Bondholder Representative to Receive Notices. For all purposes of the Master Trust Indenture, so long as the Holders of the Series 2020 Bonds have designated a Bondholder Representative within the meaning of the Build NYC Bond Indenture and the Master Trust Indenture and such entity is deemed to be the Holder of the Series 2020 Bonds under the Build NYC Bond Indenture, such entity shall be entitled to receive copies of all notices sent to or by the parties to the Master Trust Indenture at the same time they are sent pursuant to the terms of the Master Trust Indenture.

ARTICLE V MISCELLANEOUS

SECTION 5.1 Ratification of Master Trust Indenture. As supplemented hereby, the Master Trust Indenture is in all respects ratified and confirmed and the Master Trust Indenture as so supplemented hereby shall be read, taken and construed as one and the same instrument.

SECTION 5.2 Notification to Master Trustee. The Obligor covenants to furnish or cause to be furnished to the Master Trustee:

(a) Notice of any redemption or prepayment of all or a portion of the Build NYC Series 2020B/C Bonds;

(b) Notice of any Event of Default under the Build NYC Bond Indenture or the Build NYC Loan Agreement;

(c) Notice of any payment made with respect to the Build NYC Series 2020B/C Bonds pursuant to Section 4.3 of the Build NYC Loan Agreement; and

(d) Notice of any amendment to the Build NYC Loan Agreement or the Build NYC Bond Indenture.

SECTION 5.3 Severability. If any provision of this Supplemental No. 2 shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case and in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases, because it conflicts with any other provision or provisions hereof or any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, sections or subsections contained in this Supplemental No. 2 shall not affect the remaining portions of this Supplemental No. 2 or any part hereof.

SECTION 5.4 Counterparts. This Supplemental No. 2 may be executed in several counterparts, each of which shall be deemed to constitute an original, but all of which together shall constitute but one and the same instrument. It shall not be necessary in providing this Supplemental No. 2 to produce or account for more than one of those counterparts. The exchange of copies of this Supplemental No. 2 and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental No. 2 as to the parties hereto and may be used in lieu of the original Supplemental No. 2 and signature pages for all purposes.

SECTION 5.5 Governing Law. This Supplemental No. 2 shall be governed by and construed in accordance with the laws of the State of New York.

(SIGNATURE PAGE TO SUPPLEMENTAL NO. 2)

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental No. 2 to be duly executed by persons thereunto duly authorized, as of the day and year first written above.

ST. FRANCIS COLLEGE,
as Obligor

By: _____
Name: Maureen M. Lawrence
Title: Chief Financial Officer

UMB BANK, NATIONAL ASSOCIATION,
a national banking association, as Master Trustee

By: _____
Authorized Signatory

EXHIBIT A

(FORM OF BUILD NYC MASTER NOTE 2020B/C)

THIS BUILD NYC MASTER NOTE 2020B/C HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE STATE SECURITIES OR “BLUE SKY” LAW OF ANY STATE IN THE UNITED STATES OF AMERICA.

\$24,515,000

ST. FRANCIS COLLEGE MASTER TRUST NOTE (BUILD NYC RESOURCE CORPORATION – SERIES 2020B/C)

ST. FRANCIS COLLEGE (the “Obligor”), on behalf of the Obligated Group (as defined in the Master Trust Indenture, as such term is defined below), for value received, hereby promises to pay to the Build NYC Resource Corporation (together with its successors and assigns the “Issuer”), or registered assigns, at the designated corporate trust office of U.S. Bank National Association, as trustee (in such capacity, the “Build NYC Trustee”), the principal sum of \$24,515,000 on the Loan Payment Date (as defined in the Build NYC Loan Agreement) immediately preceding the 31st day of December, 2025, and to pay interest on the unpaid principal balance hereof (a) on June 26, 2020 in an amount equal to all of the interest which will become due and payable on the Build NYC Series 2020B Bonds (as defined below) on June 30, 2020 and (b) thereafter on the 10th day of each month commencing July 10, 2020, in an amount equal to one-sixth (1/6) of the amount of interest which will become due and payable on the Build NYC Series 2020B/C Bonds on the next succeeding Interest Payment Date at the rate of interest then applicable to the Build NYC Series 2020B/C Bonds.

Principal of, premium, if any, Purchase Price and interest on this Build NYC Master Note 2020B/C (as defined herein) are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal hereof, premium, if any, Purchase Price and interest hereon shall be payable in immediately available funds by depositing the same with the Build NYC Trustee, at or prior to the opening of business on the date the same shall become due and payable, and by giving notice of payment to the Master Trustee, as herein defined.

This Build NYC Master Note 2020B/C is issued in the principal amount of \$24,515,000 and is designated as the “St. Francis College Master Trust Note (Build NYC Resource Corporation – Series 2020B/C)” (together with all Obligations issued under the Master Trust Indenture hereinafter defined, the “Obligations”) issued under and pursuant to Supplemental Indenture No. 2 dated as of June 1, 2020 (the “Supplemental No. 2”), supplementing and amending the Master Trust Indenture, dated as of June 1, 2020, between the Obligor and UMB Bank, National Association, as Master Trustee (in such capacity, the “Master Trustee”), and delivered pursuant to a Loan Agreement between the Issuer and the Obligor, dated as of June 1, 2020 (the “Build NYC Loan Agreement”). The Master Trust Indenture, dated as of June 1, 2020, as amended and supplemented, including by Supplemental No. 2, is herein called the “Master Trust Indenture.”

Pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members described therein will be jointly and severally liable for the payment of this Build NYC Master Note 2020B/C and all other Obligations.

This Build NYC Master Note 2020B/C is issued for the purpose of securing the payment of the principal of, premium, if any, Purchase Price and interest on the Issuer’s \$24,515,000 Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) (the “Build NYC Series 2020B Bonds”) and, upon the redemption of the Build NYC Series 2020B Bonds with the issuance of the Issuer’s Revenue Bonds (St.

Francis College Project), Series 2020C (the “Build NYC Series 2020C Bonds”), this Build NYC Master Note 2020B/C shall instead secure the Build NYC Series 2020C Bonds. All references in this Build NYC Master Note 2020B/C to the “Build NYC Series 2020B/C Bonds” shall be deemed to refer to the Build NYC Series 2020B Bonds for so long as the same shall be Outstanding, and then to the Build NYC Series 2020C Bonds for so long as the same shall be Outstanding. The Build NYC Series 2020B/C Bonds are 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 May 12, 2020 authorizing the issuance of the Build NYC Series 2020B/C Bonds and under and pursuant to an Indenture of Trust, dated as of June 1, 2020 (the “Build NYC Bond Indenture”), between the Issuer and the Build NYC Trustee, for the purpose of funding a loan to the Obligor for (i) the refunding and defeasance of the DASNY 2010 Bonds (as defined in the Build NYC Bond Indenture); (ii) the funding of a debt service reserve fund; and (iii) paying a portion of the costs of issuance of the Build NYC Series 2020B/C Bonds.

The Build NYC 2020B Bonds are intended to be retired by the Build NYC 2020C Bonds (as defined in the Master Trust Indenture) when issued and references herein to the Build NYC 2020B/C Bonds are intended to apply to each respective series to the extent such series is outstanding.

In addition to all payments of the principal of and interest on this Build NYC Master Note 2020B/C, the Obligated Group (as defined in the Master Trust Indenture) shall pay to the Issuer and its successors and assigns, and to the other parties entitled thereto, all other amounts due or becoming due under the Build NYC Loan Agreement, in the amounts and at the times required by the Build NYC Loan Agreement.

Copies of the Master Trust Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Trust Indenture for the provisions, among others, with respect to the nature and extent of the rights of the holder of this Build NYC Master Note 2020B/C, the terms and conditions on which, and the purposes for which, this Build NYC Master Note 2020B/C is issued, and the rights, duties and obligations of the Obligated Group and the Master Trustee under the Master Trust Indenture, to all of which the holder hereof, by acceptance of this Master Note Build NYC 2020B/C, assents. All terms used herein in capitalized form and not otherwise defined herein shall have the meanings ascribed thereto in the Master Trust Indenture or in the Build NYC Bond Indenture.

Any amounts in the Interest Account or the Principal Account in the Bond Fund (Taxable) (for so long as the Build NYC Series 2020B Bonds are Outstanding) or the Bond Fund (Tax-Exempt) (for so long as the Build NYC Series 2020C Bonds are Outstanding) under the Build NYC Bond Indenture at the close of business of the Build NYC Trustee on the day immediately preceding any payment date on this Build NYC Master Note 2020B/C in excess of the aggregate amount then required to be contained in such Account of such Bond Fund (Taxable) or Bond Fund (Tax-Exempt), as applicable, shall be credited against the payments due by the Obligor and the other Obligated Group Members on such next succeeding principal or interest payment date, on this Build NYC Master Note 2020B/C.

To the extent permitted by, and as provided in, the Master Trust Indenture, modifications or changes of the Master Trust Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group Members and of the holders of the Obligations in any particular may be made with the consent of the Master Trustee and the Obligated Group Members and, in certain circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding under the Master Trust Indenture. No such modification or change shall be made which will reduce the percentage of the Obligations, the consent of the holders of which is required to consent to such supplemental indenture, or permit a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, or which will effect a change in the times, amount and currency of payment of the principal of, premium, if any, Purchase Price or interest on any Obligation or a reduction in the principal amount, redemption price or Purchase Price of any Obligation or the rate of interest thereon, without the consent of the holder of such Obligation. Any such consent by the holder of this Build NYC Master Note 2020B/C shall be conclusive and binding upon such holder and all future

holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Build NYC Master Note 2020B/C.

In the manner and with the effect provided in the Master Trust Indenture, this Build NYC Master Note 2020B/C will be subject to optional and mandatory prepayment and redemption prior to maturity, in whole or in part, at the times, upon the conditions and with the payments set forth in the Build NYC Bond Indenture for redemption of the Build NYC Series 2020B/C Bonds.

Any redemption, either in whole or in part, shall be made upon such notice to the Master Trustee as set forth in the manner and upon the terms and conditions provided in the Master Trust Indenture. If this Build NYC Master Note 2020B/C shall have been duly called for redemption and payment of the redemption price, together with interest accrued thereon to the date fixed for redemption, shall have been made or provided for, as more fully set forth in the Master Trust Indenture and the Build NYC Bond Indenture, interest on the principal portion of this Build NYC Master Note Series 2020B/C so redeemed and prepaid shall cease to accrue.

Upon the occurrence of certain Events of Default, the principal of all outstanding Obligations, including this Build NYC Master Note 2020B/C, may be declared due and payable, and thereupon shall become due and payable as provided in the Master Trust Indenture.

The holder of this Build NYC Master Note 2020B/C shall have no right to enforce the provisions of the Master Trust Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Trust Indenture.

This Build NYC Master Note 2020B/C shall be registered on the register to be maintained by the Master Trustee and this Build NYC Master Note 2020B/C shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Obligor shall execute and the Master Trustee shall authenticate and deliver in exchange for this Build NYC Master Note 2020B/C a new registered Build NYC Master Note Series 2020B/C without coupons, registered in the name of the transferee.

Concurrently with any such transfer, the transferor shall also provide or cause to be provided to the Master Trustee all information necessary to allow the Master Trustee to comply with any applicable tax reporting obligations. The Master Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

The Obligor and the other Obligated Group Members, the Master Trustee and any paying agent for the Obligations may deem and treat the Person in whose name this Build NYC Master Note 2020B/C is registered as the absolute owner hereof for all purposes; and neither the Obligor and the other Obligated Group Members, any paying agent, the Master Trustee nor any Obligations registrar shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Build NYC Master Note 2020B/C.

No covenant or agreement contained in this Build NYC Master Note 2020B/C or the Master Trust Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any of the Obligated Group Members in his individual capacity, and neither the Board of Directors of any of the Obligated Group Members nor any officer executing this Build NYC Master Note 2020B/C shall be liable personally on this Build NYC Master Note 2020B/C or be subject to any personal liability or accountability by reason of the issuance of this Build NYC Master Note 2020B/C.

This Build NYC Master Note 2020B/C shall not be entitled to any benefit under the Master Trust Indenture, or be valid or become obligatory for any purpose, until this Build NYC Master Note 2020B/C shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Obligor has caused this Build NYC Master Note 2020B/C to be executed in its name and on its behalf by the manual or facsimile signature of its Chief Financial Officer as of _____, 2020.

ST. FRANCIS COLLEGE

By: _____
Name: Maureen M. Lawrence
Title: Chief Financial Officer

(FORM OF ENDORSEMENT BY OBLIGATED GROUP REPRESENTATIVE)

The undersigned Obligor (as defined in the within mentioned Master Trust Indenture) hereby certifies that, pursuant to the provisions of the Master Trust Indenture, the obligor on this Build NYC Master Note 2020B/C and all other Obligated Group Members referred to and defined in the Master Trust Indenture are jointly and severally obligated hereon. The Obligated Group Members as of the date of execution and delivery of this Build NYC Master Note 2020B/C, including the obligor hereon, are identified on Schedule A attached hereto.

Any Person (as defined in the Master Trust Indenture) who shall satisfy the conditions set forth in the Master Trust Indenture and become an Obligated Group Member subsequent to the date of execution and delivery of this Build NYC Master Note 2020B/C shall thereupon and thereafter likewise be jointly and severally obligated on this Build NYC Master Note 2020B/C, whether or not the name of such Person shall appear on or be added to Schedule A.

If any Person (including the obligor hereon) who is on the date of execution and delivery of this Build NYC Master Note 2020B/C, or who shall thereafter become, an Obligated Group Member and thus jointly and severally obligated hereon, shall satisfy the conditions set forth in the Master Trust Indenture for withdrawal from the Obligated Group and shall withdraw from the Obligated Group pursuant to written release executed by the Master Trustee (if so permitted under the Master Trust Indenture), such Person shall thereupon and thereafter be released from any further liability or obligation on this Build NYC Master Note 2020B/C and under the Master Trust Indenture, whether or not the name of such Person shall appear on or be deleted from Schedule A.

Promptly after any such withdrawal and release, the Master Trustee shall give written notice thereof by mail to each Related Bond Trustee (as defined in the Master Trust Indenture) and to all other holders of Obligations at their last addresses as they shall appear upon the register maintained as provided in the Master Trust Indenture. Such notice may set forth, in addition to other matters deemed by the Master Trustee to be properly included therein, a statement that Outstanding Obligations must be presented to the Master Trustee for notation of such withdrawal and release thereon or surrendered to the Master Trustee in exchange for one or more substitute Obligations delivered pursuant to the provisions of the Master Trust Indenture.

ST. FRANCIS COLLEGE

By: _____
Name: Maureen M. Lawrence
Title: Chief Financial Officer

(FORM OF MASTER TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Build NYC Master Note 2020B/C is one of the Obligations referred to in the aforementioned Master Trust Indenture.

UMB BANK, NATIONAL ASSOCIATION, a
national banking association, not in its individual
capacity, but solely as Master Trustee

By: _____
Authorized Signatory

Date of Authentication: _____, 2020

(FORM OF ASSIGNMENT TO BUILD NYC TRUSTEE)

Pay to the order of U.S. Bank National Association, as Build NYC Trustee for the owners of the Build NYC Series 2020B/C Bonds hereinabove mentioned, without warranty and without recourse against the undersigned.

BUILD NYC RESOURCE CORPORATION

By: _____
Name: Krishna Omolade
Title: Executive Director

(FORM OF SCHEDULE A)

Members of the Obligated Group

Name

Address for Notices

St. Francis College

180 Remsen Street
Brooklyn, New York 11201
Attention: President and/or
Chief Financial Officer

APPENDIX F

FORMS OF BOND COUNSEL OPINION

Upon delivery of the Series 2020A Bonds and the Series 2020B Bonds, Bond Counsel to the Issuer proposes to issue its approving opinion in substantially the following form:

June 22, 2020

Build NYC Resource Corporation
New York, New York

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of the Revenue Bonds (St. Francis College Project), Series 2020A in the aggregate principal amount of \$17,540,000 (the “Series 2020A Bonds”) and the Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) in the aggregate principal amount of \$24,515,000 (the “Series 2020B Taxable Bonds”; together with the Series 2020A Bonds, collectively, the “Bonds”) of Build NYC Resource Corporation, a local development corporation organized pursuant to the Not-For-Profit Corporation Law of the State of New York (the “NFP Corporation Law”) at the direction of the Mayor of The City of New York (the “Issuer”).

The Bonds are issued under and pursuant to an Indenture of Trust, dated as of June 1, 2020 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), and a resolution of the Issuer adopted on May 12, 2020 authorizing the Bonds.

The Bonds are dated the date hereof and are issuable as fully registered bonds. The Bonds shall mature on December 31, 2025 and shall bear interest at fixed rates payable on June 30 and December 31 of each year commencing June 30, 2020, all as set forth in the Indenture. The Bonds are subject to optional and mandatory redemption and mandatory tender prior to maturity in the manner and upon the terms and conditions set forth in the Indenture.

The Series 2020A Bonds are issued for the purpose of financing a portion of the cost of (i) the refunding and defeasance of the St. Francis College Revenue Bonds, Series 2014 issued by the Dormitory Authority of the State of New York (“DASNY”) on December 22, 2014 for St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York (the “Institution”), (ii) the financing and refinancing of the New Money Bond Financed Property (as defined in the Indenture) at the Institution’s college campus located at 180 Remsen Street, Brooklyn, New York (the “Facility”), including classroom furniture, energy efficient upgrades and information technology and related items of personal property, (iii) the funding of a debt service reserve fund, and (iv) the costs of issuance relating to the issuance of the Series 2020A Bonds.

The Series 2020B Taxable Bonds are issued for the purpose of financing a portion of the cost of (i) the refunding and defeasance of the St. Francis College Revenue Bonds, Series 2010 issued by DASNY on August 20, 2010 for the Institution, (ii) the funding of a debt service reserve fund, and (iii) the costs of issuance relating to the issuance of the Series 2020B Taxable Bonds (the purposes for the issuance of the Series 2020A Bonds and the issuance of the Series 2020B Taxable Bonds are collectively referred to as the “Project”).

The Issuer and the Institution have entered into a Loan Agreement, dated as of June 1, 2020 (the “Loan Agreement”), providing, among other things, for the financing of the Project and the loan

of the proceeds of the Series 2020A Bonds and the Series 2020B Taxable Bonds to the Institution. The obligation of the Institution to repay the loan (y) with respect to the proceeds of the Series 2020A Bonds is evidenced by a certain Master Trust Note (Build NYC Resource Corporation – Series 2020A), dated the date hereof, in the principal amount of \$17,540,000 from the Institution in favor of the Issuer, authenticated as an “Obligation” by UMB Bank, National Association, as Master Trustee (the “Master Trustee”) under a Master Trust Indenture, dated as of June 1, 2020, between the Institution and the Master Trustee (the “Master Trust Indenture”), and endorsed by the Issuer to the Trustee (the “Master Trust Note (Series 2020A)”), and (z) with respect to the proceeds of the Series 2020B Taxable Bonds is evidenced by a certain Master Trust Note (Build NYC Resource Corporation – Series 2020B/C), dated the date hereof, in the principal amount of \$24,515,000 from the Institution in favor of the Issuer, authenticated as an “Obligation” by the Master Trustee under the Master Trust Indenture, and endorsed by the Issuer to the Trustee (the “Master Trust Note (Series 2020B/C)”; and, together with the Master Trust Note (Series 2020A), are collectively referred to herein as the “Master Trust Notes (Build NYC Resource Corporation)”).

The Master Trust Notes (Build NYC Resource Corporation) are secured by mortgage liens on and security interests in the Institution’s fee title interest in the Mortgaged Property (as such term is defined in the Master Mortgages as hereinafter defined) pursuant to a Master Mortgage and Security Agreement (Acquisition Loan) and a Master Mortgage and Security Agreement (Indirect Loan), each dated as of June 1, 2020, and each from the Institution, as mortgagor, to the Issuer and the Master Trustee, as mortgagees (collectively, the “Master Mortgages”). Pursuant to a Master Assignment of Mortgage and Security Agreement (Acquisition Loan) and a Master Assignment of Mortgage and Security Agreement (Indirect Loan), each dated the date hereof (collectively, the “Master Assignments of Mortgages”), the Issuer has assigned to the Master Trustee all of the Issuer’s right, title and interest in and to the Master Mortgages.

The Master Trust Notes (Build NYC Resource Corporation) are further secured by an assignment by the Institution of all leases and rents with respect to the Facility pursuant to a Master Assignment of Leases and Rents (Acquisition Loan) and a Master Assignment of Leases and Rents (Indirect Loan), each dated as of June 1, 2020, and each from the Institution, as assignor, to the Issuer and the Master Trustee, as assignees (collectively, the “Master Assignments of Leases and Rents”). Pursuant to a Master Assignment of Assignment of Leases and Rents (Acquisition Loan) and a Master Assignment of Assignment of Leases and Rents (Indirect Loan), each dated the date hereof (collectively, the “Master Assignments of ALR”), the Issuer has assigned to the Master Trustee all of the Issuer’s right, title and interest in and to the Master Assignments of Leases and Rents.

It is provided in the Indenture that, upon complying with certain prescribed conditions, the Issuer may issue additional bonds from time to time on the terms and conditions and for the purposes stated in the Indenture, and said additional bonds, if issued, will be equally and ratably secured under the Indenture with the Outstanding (as defined in the Indenture) Bonds.

We are of the opinion that:

1. The Issuer is duly organized and validly existing under the NFP Corporation Law, and has the right and power thereunder to enter into the Indenture, and the Indenture has been duly authorized, executed and delivered by the Issuer, is in full force and effect, and is valid and binding upon the Issuer and enforceable against the Issuer in accordance with its terms.
2. The Issuer has the right and power under the NFP Corporation Law to enter into the Loan Agreement, and the Loan Agreement has been duly authorized, executed and delivered by the Issuer, is in full force and effect, and constitutes a valid and binding agreement of the Issuer enforceable against the Issuer in accordance with its terms.

3. The Issuer has the right and power under the NFP Corporation Law to enter into the Master Assignments of Mortgages, and the Master Assignments of Mortgages have been duly authorized, executed and delivered by the Issuer, are in full force and effect, and constitute valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.

4. The Issuer has the right and power under the NFP Corporation Law to enter into the Master Assignments of ALR, and the Master Assignments of ALR have been duly authorized, executed and delivered by the Issuer, are in full force and effect, and constitute valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.

5. The Bonds have been duly authorized and issued by the Issuer in accordance with law and in accordance with the Indenture and are the valid and binding special limited revenue obligations of the Issuer, payable solely from the loan payments, revenues and receipts derived from the Loan Agreement and pledged under the Indenture. The Bonds are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefit of the Indenture. All conditions precedent to the delivery of the Bonds under the Indenture have been fulfilled.

6. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Series 2020A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2020A Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code. To the extent that any of the Series 2020A Bonds have original issue discount (“Discount Bonds”), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2020A Bonds.

7. The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2020A Bonds in order that, for federal income tax purposes, interest on the Series 2020A Bonds be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Series 2020A Bonds, restrictions on the investment of proceeds of the Series 2020A Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Series 2020A Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Series 2020A Bonds, the Issuer, the Institution and the Trustee have executed the Tax Regulatory Agreement (the “Tax Regulatory Agreement”) containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Regulatory Agreement, the Issuer and the Institution covenant that they will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that the interest paid on the Series 2020A Bonds will, for federal income tax purposes, be excluded from gross income.

8. Under existing statutes, the interest on the Series 2020A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York.

In rendering the opinions in paragraphs 6 and 7 above, we have (i) relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Issuer Tax Certification delivered on the date hereof by the Issuer and

in the Tax Regulatory Agreement with respect to the use of proceeds of the Series 2020A Bonds and the investment of certain funds, and other matters affecting the exclusion of interest on the Series 2020A Bonds from gross income for federal income tax purposes under Section 103 of the Code, (ii) relied upon the opinion of Squire Patton Boggs (US) LLP, special financing counsel to the Institution, dated the date hereof, regarding, among other matters, the current qualifications of the Institution as being an organization described in Section 501(c)(3) of the Code, and (iii) relied upon and assumed compliance by the Issuer and the Institution with the procedures and ongoing covenants set forth in the Tax Regulatory Agreement and with the ongoing tax covenants set forth in the Loan Agreement. We note that the opinion of counsel to the Institution is subject to a number of qualifications and limitations. The Institution has covenanted that it will do nothing to impair its status as a tax-exempt organization, and that it will comply with the requirements of the Code and any applicable regulations throughout the term of the Series 2020A Bonds. Failure of the Institution to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of the Institution's status as an organization described in Section 501(c)(3) of the Code or to use the assets being financed and refinanced with the proceeds of the Series 2020A Bonds in activities of the Institution that do not constitute unrelated trades or businesses within the meaning of Section 513 of the Code may result in interest on the Series 2020A Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Series 2020A Bonds.

Further, under the Code, failure to comply with such procedures and covenants may cause the interest on the Series 2020A Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2020A Bonds, irrespective of the date on which such noncompliance occurs or is ascertained. Compliance with certain of such requirements may necessitate that persons not within the control of the Issuer or the Institution take or refrain from taking certain actions.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2020A Bonds, or the ownership or disposition thereof, except as stated in paragraphs 6 and 7 above. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2020A Bonds.

The foregoing opinions are qualified only to the extent that the enforceability of the Bonds, the Indenture, the Tax Regulatory Agreement, the Master Trust Indenture, the Master Trust Notes (Build NYC Resource Corporation), the Master Mortgages, the Master Assignments of Mortgages, the Master Assignments of Leases and Rents, the Master Assignments of ALR and the Loan Agreement may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

In rendering this opinion, we have assumed the due recording of the Master Mortgages, the Master Assignments of Mortgages, the Master Assignments of Leases and Rents and the Master Assignments of ALR, and the due filing and sufficiency of financing statements under the New York State Uniform Commercial Code.

In rendering this opinion, we have relied as to matters of title of the Institution to the real property constituting a part of the Mortgaged Property under the Master Mortgages on the mortgagee title

insurance policy issued by First American Title Insurance Company insuring the Master Trustee's and the Issuer's mortgagee interests under the Master Mortgages in the real property constituting a part of the Mortgaged Property, dated the date hereof.

In rendering this opinion, with respect to the due authorization, execution and delivery of the Loan Agreement, the Master Trust Notes (Build NYC Resource Corporation), the Master Trust Indenture, the Master Mortgages, the Master Assignments of Leases and Rents and the Tax Regulatory Agreement by the Institution, and the enforceability of each of the same against the Institution, we have relied upon the opinion of Squire Patton Boggs (US) LLP, special financing counsel to the Institution, dated the date hereof.

In rendering this opinion, with respect to the due authorization, execution and delivery of the Indenture and the Tax Regulatory Agreement by the Trustee, and the enforceability of each of the same against the Trustee as its legal, valid and binding obligation, we have relied upon the opinion of Paparone Law PLLC, counsel to the Trustee, dated the date hereof.

In rendering this opinion, with respect to the due authorization, execution and delivery of the Master Trust Indenture by the Master Trustee, and the enforceability of the same against the Master Trustee as its legal, valid and binding obligation, we have relied upon the opinion of Thompson Hine LLP, counsel to the Master Trustee, dated the date hereof.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Institution other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser or purchasers of the Series 2020A Bonds or of the Series 2020B Taxable Bonds.

In rendering this opinion, we express no opinion as to the necessity for obtaining any licenses, permits or other approvals relating to the Facility or the Project or the application or effect of any environmental laws, ordinances, rules, regulations or other requirements of any governmental authority with respect to the Facility, the Project or the transactions contemplated under the Indenture.

The foregoing opinions are further subject, however, to the qualification that we express no opinion as to matters relating to the rights in, title to or sufficiency of the description of any property or collateral described in the Project Documents (as defined in the Indenture) or the Master Trust Documents (also as defined in the Indenture) or the creation, perfection or relative priority of any lien or security interest created with respect to such property or collateral thereunder.

We have examined a Series 2020A Bond in fully registered form numbered AR-1 and a Series 2020B Taxable Bond in fully registered form numbered BR-1, and, in our opinion, the form of each said Bond and their execution are regular and proper.

We undertake no responsibility for the accuracy, completeness or fairness of any limited offering memorandum or other offering materials relating to the Series 2020A Bonds or the Series B Taxable Bonds and express herein no opinion relating thereto.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

Upon delivery of the Series 2020C Bonds if and when issued, Bond Counsel to the Issuer proposes to issue its approving opinion in substantially the following form:

July __, 2020

Build NYC Resource Corporation
New York, New York

Ladies and Gentlemen:

We have examined the record of proceedings relating to the issuance on June 22, 2020 of the Revenue Bonds (St. Francis College Project), Series 2020A in the aggregate principal amount of \$17,540,000 (the “Series 2020A Bonds”) and the Revenue Bonds (St. Francis College Project), Series 2020B (Taxable) in the aggregate principal amount of \$24,515,000 (the “Series 2020B Taxable Bonds”), together with the record of proceedings relating to the issuance on the date hereof of the Revenue Bonds (St. Francis College Project), Series 2020C in the aggregate principal amount of \$24,215,000 (the “Series 2020C Bonds”) of Build NYC Resource Corporation, a local development corporation organized pursuant to the Not-For-Profit Corporation Law of the State of New York (the “NFP Corporation Law”) at the direction of the Mayor of The City of New York (the “Issuer”).

The Series 2020C Bonds are issued under and pursuant to an Indenture of Trust, dated as of June 1, 2020 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), a certificate of determination of an authorized officer of the Issuer dated the date hereof, and a resolution of the Issuer adopted on May 12, 2020 authorizing the Series 2020A Bonds, the Series 2020B Taxable Bonds and the Series 2020C Bonds.

The Series 2020C Bonds are dated the date hereof and are issuable as fully registered bonds. The Series 2020C Bonds shall mature on December 31, 2025 and shall bear interest at fixed rates payable on June 30 and December 31 of each year commencing December 31, 2020, all as set forth in the Indenture. The Series 2020C Bonds are subject to optional and mandatory redemption and mandatory tender prior to maturity in the manner and upon the terms and conditions set forth in the Indenture.

The Series 2020A Bonds were issued for the purpose of financing a portion of the cost of (i) the refunding and defeasance of the St. Francis College Revenue Bonds, Series 2014 issued by the Dormitory Authority of the State of New York (“DASNY”) on December 22, 2014 for St. Francis College, a not-for-profit education corporation organized and existing under the laws of the State of New York (the “Institution”), (ii) the financing and refinancing of the New Money Bond Financed Property (as defined in the Indenture) at the Institution’s college campus located at 180 Remsen Street, Brooklyn, New York (the “Facility”), including classroom furniture, energy efficient upgrades and information technology and related items of personal property, (iii) the funding of a debt service reserve fund, and (iv) the costs of issuance relating to the issuance of the Series 2020A Bonds.

The Series 2020B Taxable Bonds were issued for the purpose of financing a portion of the cost of (i) the refunding and defeasance of the St. Francis College Revenue Bonds, Series 2010 issued by DASNY on August 20, 2010 for the Institution, (ii) the funding of a debt service reserve fund, and (iii) the costs of issuance relating to the issuance of the Series 2020B Taxable Bonds (the purposes for the issuance of the Series 2020A Bonds and the issuance of the Series 2020B Taxable Bonds are collectively referred to as the “Project”).

The Series 2020C Bonds are issued for the purposes of redeeming in whole the Series 2020B Taxable Bonds, and effecting the conversion and exchange of the Series 2020C Bonds for the Series 2020B Taxable Bonds as provided in the Indenture.

On June 22, 2020, the Issuer and the Institution entered into a Loan Agreement, dated as of June 1, 2020 (the “Loan Agreement”), providing, among other things, for the financing of the Project and the loan of the proceeds of the Series 2020A Bonds, the Series 2020B Taxable Bonds and, when issued, the Series 2020C Bonds, to the Institution. The obligation of the Institution to repay the loan (y) with respect to the proceeds of the Series 2020A Bonds is evidenced by a certain Master Trust Note (Build NYC Resource Corporation – Series 2020A), dated June 22, 2020, in the principal amount of \$17,540,000 from the Institution in favor of the Issuer, authenticated as an “Obligation” by UMB Bank, National Association, as Master Trustee (the “Master Trustee”) under a Master Trust Indenture, dated as of June 1, 2020, between the Institution and the Master Trustee (the “Master Trust Indenture”), and endorsed by the Issuer to the Trustee (the “Master Trust Note (Series 2020A)”), and (z) with respect to the proceeds of the Series 2020B Taxable Bonds and of the Series 2020C Bonds is evidenced by a certain Master Trust Note (Build NYC Resource Corporation – Series 2020B/C), dated June 22, 2020, in the principal amount of \$24,515,000 from the Institution in favor of the Issuer, authenticated as an “Obligation” by the Master Trustee under the Master Trust Indenture, and endorsed by the Issuer to the Trustee (the “Master Trust Note (Series 2020B/C)”; and, together with the Master Trust Note (Series 2020A), are collectively referred to herein as the “Master Trust Notes (Build NYC Resource Corporation)”).

The Master Trust Notes (Build NYC Resource Corporation) are secured by mortgage liens on and security interests in the Institution’s fee title interest in the Mortgaged Property (as such term is defined in the Master Mortgages as hereinafter defined) pursuant to a Master Mortgage and Security Agreement (Acquisition Loan) and a Master Mortgage and Security Agreement (Indirect Loan), each dated as of June 1, 2020, and each from the Institution, as mortgagor, to the Issuer and the Master Trustee, as mortgagees (collectively, the “Master Mortgages”). Pursuant to a Master Assignment of Mortgage and Security Agreement (Acquisition Loan) and a Master Assignment of Mortgage and Security Agreement (Indirect Loan), each dated June 22, 2020 (collectively, the “Master Assignments of Mortgages”), the Issuer assigned to the Master Trustee all of the Issuer’s right, title and interest in and to the Master Mortgages.

The Master Trust Notes (Build NYC Resource Corporation) are further secured by an assignment by the Institution of all leases and rents with respect to the Facility pursuant to a Master Assignment of Leases and Rents (Acquisition Loan) and a Master Assignment of Leases and Rents (Indirect Loan), each dated as of June 1, 2020, and each from the Institution, as assignor, to the Issuer and the Master Trustee, as assignees (collectively, the “Master Assignments of Leases and Rents”). Pursuant to a Master Assignment of Assignment of Leases and Rents (Acquisition Loan) and a Master Assignment of Assignment of Leases and Rents (Indirect Loan), each dated June 22, 2020 (collectively, the “Master Assignments of ALR”), the Issuer assigned to the Master Trustee all of the Issuer’s right, title and interest in and to the Master Assignments of Leases and Rents.

It is provided in the Indenture that, upon complying with certain prescribed conditions, the Issuer may issue additional bonds from time to time on the terms and conditions and for the purposes stated in the Indenture, and said additional bonds, if issued, will be equally and ratably secured under the Indenture with the Outstanding (as defined in the Indenture) Series 2020A Bonds and Series 2020C Bonds.

We are of the opinion that:

1. The Issuer is duly organized and validly existing under the NFP Corporation Law, and the Indenture has been duly authorized, executed and delivered by the Issuer, is in full force and effect, and is valid and binding upon the Issuer and enforceable against the Issuer in accordance with its terms.

2. The Loan Agreement has been duly authorized, executed and delivered by the Issuer, is in full force and effect, and constitutes a valid and binding agreement of the Issuer enforceable against the Issuer in accordance with its terms.

3. The Master Assignments of Mortgages have been duly authorized, executed and delivered by the Issuer, are in full force and effect, and constitute valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.

4. The Master Assignments of ALR have been duly authorized, executed and delivered by the Issuer, are in full force and effect, and constitute valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.

5. The Series 2020C Bonds have been duly authorized and issued by the Issuer in accordance with law and in accordance with the Indenture and are the valid and binding special limited revenue obligations of the Issuer, payable solely from the loan payments, revenues and receipts derived from the Loan Agreement and pledged under the Indenture. The Series 2020C Bonds are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefit of the Indenture. All conditions precedent to the delivery of the Series 2020C Bonds under the Indenture have been fulfilled.

6. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Series 2020C Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and (ii) interest on the Series 2020C Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2020C Bonds in order that, for federal income tax purposes, interest on the Series 2020C Bonds be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Series 2020C Bonds, restrictions on the investment of proceeds of the Series 2020C Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause the interest on the Series 2020C Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Series 2020A Bonds, the Issuer, the Institution and the Trustee executed the Tax Regulatory Agreement (the “Tax Regulatory Agreement”) containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Regulatory Agreement, the Issuer and the Institution covenant that they will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that the interest paid on the Series 2020A Bonds and on the Series 2020C Bonds will, for federal income tax purposes, be excluded from gross income.

7. Under existing statutes, the interest on the Series 2020C Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof, including The City of New York.

In rendering the opinions in paragraphs 6 and 7 above, we have (i) relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Issuer Tax Certification delivered on the date hereof by the Issuer, in the Institution Tax Certificate delivered on the date hereof by the Institution, and in the Tax Regulatory

Agreement with respect to the use of proceeds of the Series 2020B Taxable Bonds and of the Series 2020C Bonds and the investment of certain funds, and other matters affecting the exclusion of interest on the Series 2020C Bonds from gross income for federal income tax purposes under Section 103 of the Code, (ii) relied upon the opinion of Squire Patton Boggs (US) LLP, special financing counsel to the Institution, dated the date hereof, regarding, among other matters, the current qualifications of the Institution as being an organization described in Section 501(c)(3) of the Code, and (iii) relied upon and assumed compliance by the Issuer and the Institution with the procedures and ongoing covenants set forth in the Tax Regulatory Agreement and with the ongoing tax covenants set forth in the Loan Agreement. We note that the opinion of counsel to the Institution is subject to a number of qualifications and limitations. The Institution has covenanted that it will do nothing to impair its status as a tax-exempt organization, and that it will comply with the requirements of the Code and any applicable regulations throughout the term of the Series 2020C Bonds. Failure of the Institution to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of the Institution's status as an organization described in Section 501(c)(3) of the Code or to use the assets being financed and refinanced with the proceeds of the Series 2020C Bonds in activities of the Institution that do not constitute unrelated trades or businesses within the meaning of Section 513 of the Code may result in interest on the Series 2020C Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Series 2020C Bonds.

Further, under the Code, failure to comply with such procedures and covenants may cause the interest on the Series 2020C Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2020C Bonds, irrespective of the date on which such noncompliance occurs or is ascertained. Compliance with certain of such requirements may necessitate that persons not within the control of the Issuer or the Institution take or refrain from taking certain actions.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2020C Bonds, or the ownership or disposition thereof, except as stated in paragraphs 6 and 7 above. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2020C Bonds.

The foregoing opinions are qualified only to the extent that the enforceability of the Series 2020C Bonds, the Indenture, the Tax Regulatory Agreement, the Master Trust Indenture, the Master Trust Notes (Build NYC Resource Corporation), the Master Mortgages, the Master Assignments of Mortgages, the Master Assignments of Leases and Rents, the Master Assignments of ALR and the Loan Agreement may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and is subject to general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

In rendering this opinion, we have assumed the due recording of the Master Mortgages, the Master Assignments of Mortgages, the Master Assignments of Leases and Rents and the Master Assignments of ALR, and the due filing and sufficiency of financing statements under the New York State Uniform Commercial Code.

In rendering this opinion, we have relied as to matters of title of the Institution to the real property constituting a part of the Mortgaged Property under the Master Mortgages on the mortgagee title

insurance policy issued by First American Title Insurance Company insuring the Master Trustee's and the Issuer's mortgagee interests under the Master Mortgages in the real property constituting a part of the Mortgaged Property, dated June 22, 2020, and have assumed the continued accuracy as to such matters through the date hereof.

In rendering this opinion, with respect to the due authorization, execution and delivery of the Loan Agreement, the Master Trust Notes (Build NYC Resource Corporation), the Master Trust Indenture, the Master Mortgages, the Master Assignments of Leases and Rents and the Tax Regulatory Agreement by the Institution, and the enforceability of each of the same against the Institution, we have relied upon the opinions of Squire Patton Boggs (US) LLP, special financing counsel to the Institution, dated June 22, 2020 and the date hereof.

In rendering this opinion, with respect to the due authorization, execution and delivery of the Indenture and the Tax Regulatory Agreement by the Trustee, and the enforceability of each of the same against the Trustee as its legal, valid and binding obligation, we have relied upon the opinion of Paparone Law PLLC, counsel to the Trustee, dated June 22, 2020, and have assumed the continued accuracy of such opinion through the date hereof.

In rendering this opinion, with respect to the due authorization, execution and delivery of the Master Trust Indenture by the Master Trustee, and the enforceability of the same against the Master Trustee as its legal, valid and binding obligation, we have relied upon the opinion of Thompson Hine LLP, counsel to the Master Trustee, dated June 22, 2020, and have assumed the continued accuracy of such opinion through the date hereof.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Institution other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser or purchasers of the Series 2020C Bonds.

In rendering this opinion, we express no opinion as to the necessity for obtaining any licenses, permits or other approvals relating to the Facility or the Project or the application or effect of any environmental laws, ordinances, rules, regulations or other requirements of any governmental authority with respect to the Facility, the Project or the transactions contemplated under the Indenture.

The foregoing opinions are further subject, however, to the qualification that we express no opinion as to matters relating to the rights in, title to or sufficiency of the description of any property or collateral described in the Project Documents (as defined in the Indenture) or the Master Trust Documents (also as defined in the Indenture) or the creation, perfection or relative priority of any lien or security interest created with respect to such property or collateral thereunder.

We have examined a Series 2020C Bond in fully registered form numbered CR-1, and, in our opinion, the form of said Bond and its execution are regular and proper.

We undertake no responsibility for the accuracy, completeness or fairness of any limited offering memorandum or other offering materials relating to the Series 2020C Bonds and express herein no opinion relating thereto.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

BUILD NYC RESOURCE CORPORATION REVENUE BONDS (ST. FRANCIS COLLEGE PROJECT), SERIES 2020A, SERIES 2020B (TAXABLE) AND SERIES 2020C

This Continuing Disclosure Agreement (the “Disclosure Agreement”), dated as of June 22, 2020, is executed and delivered by and between St. Francis College (the “Obligated Person”), as the sole Member of the Obligated Group (as defined herein), and UMB Bank, National Association, as dissemination agent (the “Dissemination Agent”) in connection with the issuance of the above-named bonds (the “Bonds”). The Bonds are being issued by Build NYC Resource Corporation (the “Issuer”) pursuant to an Indenture of Trust, dated as of June 1, 2020 (the “Indenture”), by and between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). The Obligated Person, on behalf of itself and as the sole Member of the Obligated Group, covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Obligated Person for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission (“Commission”) Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Obligated Person pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean UMB Bank, National Association, or any successor Dissemination Agent designated in writing by the Obligated Person and which has filed with the Obligated Person a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(15) and Section 5(a)(16), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“Member of the Obligated Group” means, initially, the Obligated Person and, thereafter, any Person (as defined in the Master Trust Indenture, dated as of June 1, 2020, as supplemented, including as

supplemented by Supplemental Indenture No. 1 and Supplemental Indenture No. 2, each dated as of June 1, 2020 (as supplemented, the “Master Indenture”), each between the Obligated Person, as the sole Member of the Obligated Group, and UMB Bank, National Association, as master trustee (the “Master Trustee”)) which shall become a Member of the Obligated Group in accordance with the Master Indenture and not including any Person which shall have withdrawn from the Obligated Group in accordance with the Master Indenture.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Offering Memorandum” shall mean the final limited offering memorandum dated June 18, 2020 relating to the Bonds.

“Participating Underwriter” shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Obligated Person shall, or shall cause the Dissemination Agent to, not later than 150 days after the end of the Obligated Person’s fiscal year (which shall be November 27 of each year, so long as the Obligated Person’s fiscal year ends on June 30), commencing with the report for the 2020 fiscal year (which is due not later than November 27, 2020), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the Obligated Person 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 they are not available by that date. If the Obligated Person’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the Obligated Person shall provide the Annual Report to the Dissemination Agent (if other than the Obligated Person). If the Obligated Person is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Obligated Person shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the Obligated Person) file a report with the Obligated Person certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The Obligated Person’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the Obligated Person for the preceding fiscal year, prepared in accordance with generally accepted accounting principles. If the Obligated Person’s audited

financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Offering Memorandum, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the Obligated Person, the Annual Report shall also include the following: operating data and financial information of the type included in the Offering Memorandum in “APPENDIX A – ST. FRANCIS COLLEGE” under the headings “OPERATING INFORMATION” AND “FINANCIAL STATEMENT INFORMATION” relating to: (1) student admissions and enrollment, similar to that set forth in Table 4 and Table 5 under the subheading “Recruitment and Enrollment”; (2) tuition and other student charges, similar to that set forth in Table 6 and Table 7 under the heading “Tuition and Scholarships”; (3) financial aid, similar to that set forth under the subheading “Tuition and Scholarships”; (4) faculty, similar to that set forth under the subheading “Faculty and Staff”; (5) employee relations, including material information about union contracts and retirement plans; (6) summary financial statement information, similar to that set forth in Table 9A and Table 9B under the subheading “Summary Financial Statements”; (7) Obligated Person investment in plant; (8) outstanding long-term indebtedness, similar to that set forth under the heading “Outstanding Indebtedness”; (9) private gifts and grants, similar to that set forth in Table 12 under the subheading “Fundraising and Alumni Relations”; (10) government grants and contracts, similar to that set forth in Table 13 under the subheading “Grants”; and (11) investment securities, similar to that set forth in Table 14 and Table 15 under the subheading “Investment Policy.”

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Obligated Person or the Issuer or related public entities, which have been made available to the public on the MSRB’s website. The Obligated Person shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Obligated Person shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;

(6) 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 Bonds, or other material events affecting the tax status of the Bonds;

- (7) Modifications to the rights of holders of the Bonds, if material;

- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- (13) the consummation of a merger, consolidation, or acquisition involving the Corporation or a Major Obligated Mortgagor 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect holders of the Bonds, if material; or
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

Note: for the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: 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 governmental 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.

(b) Upon the occurrence of a Listed Event described in Section 5(a), the Obligated Person shall within ten business days of occurrence file a notice of such occurrence with the MSRB.

(c) The Obligated Person intends to comply with the Listed Events described in Section 5(a)(15) and Section 5(a)(16), and the definition of “Financial Obligation” in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Commission in Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Commission or its staff with respect the amendments to the Rule effected by the 2018 Release.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The Obligated Person's obligations under this Disclosure Agreement shall automatically terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Obligated Person shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Obligated Person may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Obligated Person pursuant to this Disclosure Agreement.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it 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 an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the 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, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Obligated Person shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Obligated Person. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Obligated Person to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Obligated Person to comply with its obligations under this Disclosure Agreement. The sole remedy under this Disclosure Agreement in the event of any failure of the Obligated Person to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of New York (without regard to its conflicts of laws provisions).

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Continuing Disclosure Agreement as of the date first written above.

UMB BANK, NATIONAL ASSOCIATION, as
Dissemination Agent

By _____
Authorized Representative

ST. FRANCIS COLLEGE, as Obligated Person

By _____

EXHIBIT A

**FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: Build NYC Resource Corporation

Name of Bond Issue: Build NYC Resource Corporation Revenue Bonds (St. Francis College Project), Series 2020A and [Series 2020B (Taxable)][Series 2020C]

Dissemination Agent: UMB Bank, National Association

Obligated Person: St. Francis College

Date of Issuance: June 22, 2020

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Agreement of the Obligated Person, dated the Date of Issuance. [The Obligated Person anticipates that the Annual Report will be filed by _____.]

Dated: _____

UMB BANK, NATIONAL ASSOCIATION, as
dissemination agent

By _____ [to be signed only if filed]