

Installment Sale
Agreement &
Assignment of
Lease

NEW YORK CITY
INDUSTRIAL DEVELOPMENT AGENCY

AND

COLLEGE OF MOUNT SAINT VINCENT

INSTALLMENT SALE AGREEMENT
AND ASSIGNMENT OF LEASE

Dated as of June 1, 2006

\$14,650,000
New York City Industrial Development Agency
Civic Facility Refunding and Improvement Revenue Bonds
(2006 College of Mount Saint Vincent Project), Series A
and
\$7,350,000
New York City Industrial Development Agency
Adjustable Rate Civic Facility Revenue Bonds
(2006 College of Mount Saint Vincent Project), Series B

Record and Return to:
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New York, New York 10005
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Riverdale, New York

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14	5958	425
14	5958	p/o 1
14	5958	p/o 10

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INSTALLMENT SALE AGREEMENT AND ASSIGNMENT OF LEASE

This **INSTALLMENT SALE AGREEMENT AND ASSIGNMENT OF LEASE**, made and entered into as of June 1, 2006, by and between **NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY**, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "Agency"), having its principal office at 110 William Street, New York, New York 10038, party of the first part, and **COLLEGE OF MOUNT SAINT VINCENT**, a not-for-profit education corporation organized and existing under and by virtue of the laws of the State of New York (the "Institution"), having its principal office at 6301 Riverdale Avenue, Riverdale, New York 10471, party of the second part (capitalized terms not otherwise defined in the recitals herein shall have the meaning ascribed to them in Section 1.1 herein):

WITNESSETH:

WHEREAS, the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act"), authorizes and provides for the creation of industrial development agencies in the several counties, cities, villages and towns in the State of New York and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and furnish land, any building or other improvement, and all real and personal properties, including but not limited to machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial, industrial or civic purposes and which may include or mean an industrial pollution control facility to the end that such agencies may be able to promote, develop, encourage, assist and advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York (the "State") and to improve their prosperity and standard of living; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act the Agency was established by Chapter 1082 of the 1974 Laws of New York, as amended (together with the Enabling Act, the "Act"), for the benefit of The City of New York (the "City") and the inhabitants thereof; and

WHEREAS, the Institution has entered into negotiations with the Agency in order that the Agency may assist in the financing and refinancing of a portion of the cost of various civic facilities (collectively, the "Facilities") consisting of (i) the renovation, equipping and furnishing of an existing four-story residence hall of approximately 50,100 square feet ("Alumnae Hall") and an existing four-story residence hall of approximately 70,000 square feet ("Spellman Hall"), (ii) the construction, equipping and furnishing of a new approximately 35,600 square foot five-story residence hall ("Mastronardi Hall") and related site work and (iii) the refunding of the Agency's outstanding Civic Facility Revenue Bonds (1993 College of Mount Saint Vincent Project), which were issued to (a) finance renovations to and equip and furnish the Institution's auditorium/gymnasium (the "Grace Center"), the science hall (the "Science Hall") and the administration building (the "Administration Building") and (b) refund the Agency's

Civic Facility Revenue Bonds (1990 College of Mount Saint Vincent Project), which were issued to finance renovations to the Grace Center, all to be used in the Institution's operation of a coeducational liberal arts college located on the Institution's campus at 6301 Riverdale Avenue, Riverdale, Bronx, New York (collectively, the "Project"); and

WHEREAS, the Agency has determined that financing and refinancing of a portion of the costs of the Project will assist the Institution in reducing its costs and thereby effectuate its civic purpose for the benefit of the inhabitants of the City; and

WHEREAS, as a result of such negotiations, the Institution has requested the Agency to issue its bonds in the aggregate principal amount of \$22,000,000 to effect such financing and refinancing; and

WHEREAS, the Agency adopted a resolution on March 14, 2006 authorizing the issuance of its revenue bonds to effect such financing and refinancing, and the leasing or subleasing, as applicable, of each of the Facilities to the Agency from the Institution for sale and assignment by the Agency of its leasehold interest in such Facilities to the Institution; and

WHEREAS, a portion of the land comprising the Institution's campus is owned by The Sisters of Charity of St. Vincent DePaul of New York (the "Sisters of Charity"), and is leased by the Sisters of Charity to the Institution pursuant to a lease, dated as of June 29, 2006, between the Sisters of Charity, as lessor, and the Institution, as lessee (as the same may be amended or supplemented, the "Sisters of Charity Lease"); and

WHEREAS, the Administration Building is owned by the Sisters of Charity, and the Grace Center is owned by the Institution but is subject to the Sisters of Charity Lease; and

WHEREAS, the Sisters of Charity has provided certain agreements pursuant to a Ground Lessor Agreement, dated as of even date herewith, from the Sisters of Charity and the Institution to the Agency and the Trustee; and

WHEREAS, the Science Hall, Mastronardi Hall, Spellman Hall and Alumnae Hall, together with their respective sites, are and will be owned by the Institution and are not subject to the Sisters of Charity Lease; and

WHEREAS, concurrently with the execution hereof, the Institution will lease or sublease, as applicable, its respective interests in the Facilities to the Agency pursuant to the Company Lease Agreement, dated as of even date herewith, between the Institution and the Agency (as the same may be amended or supplemented, the "Company Lease"); and

WHEREAS, the Agency will sell and assign its leasehold interest in the Facilities under the Company Lease to the Institution pursuant to this Agreement; and

WHEREAS, the Agency, in order to provide funds for a portion of the cost of the Project and for incidental and related costs thereto, will issue and sell its Civic Facility Refunding and Improvement Revenue Bonds (2006 College of Mount Saint Vincent Project), Series A in the aggregate principal amount of \$14,650,000 (the "Series 2006A Bonds") and its Adjustable Rate Civic Facility Revenue Bonds (2006 College of Mount Saint Vincent Project),

Series B in the aggregate principal amount of \$7,350,000 (the "Series 2006B Bonds"; the Series 2006A Bonds and the Series 2006B Bonds are collectively referred to as the "Series 2006 Bonds"), all pursuant to the Act, a resolution adopted by the Agency on April 11, 2006, and an Indenture of Trust, dated as of even date herewith (as the same may be amended or supplemented, the "Indenture"), between the Agency and The Bank of New York, as trustee (the "Trustee"); and

WHEREAS, simultaneously with the issuance and delivery of the Series 2006 Bonds, a financial guaranty insurance policy (the "Series 2006 Bond Insurance Policy") will be issued by Radian Asset Assurance Inc. (the "Series 2006 Bond Insurer"), which Series 2006 Bond Insurance Policy will insure the prompt payment of the principal of, interest and Sinking Fund Installments on the Series 2006 Bonds when due, to the extent that the Trustee has not received sufficient funds for such payment; and

WHEREAS, concurrently with the execution hereof and in order to further secure the Series 2006 Bonds, (i) the Institution will enter into a Guaranty Agreement, dated as of even date herewith, with the Trustee guaranteeing, among other things, the payment of the principal of, redemption premium, if any, Purchase Price, Sinking Fund Installments for, and interest on the Series 2006 Bonds; (ii) the Institution will grant a security interest to the Trustee in its Tuition Payments pursuant to a Pledge and Security Agreement, dated as of even date herewith, from the Institution to the Trustee; and (iii) the Institution and the Agency will grant mortgage liens on and security interests in their respective interests in the Mortgaged Facilities pursuant to an Agency Mortgage and Security Agreement (Acquisition Loan), an Agency Mortgage and Security Agreement (Building Loan) and an Agency Mortgage and Security Agreement (Indirect Loan), each dated as of even date herewith, and each from the Institution and the Agency to the Trustee;

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows (provided that in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not subject the Agency to any pecuniary or other liability nor create a debt of the State or of the City, and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be payable solely out of the installment purchase payments, revenues and receipts derived from or in connection with the Facilities, including moneys received under this Agreement):

ARTICLE I

Definitions and Representations

Section 1.1. Definitions. Terms not otherwise defined herein shall have the same meanings as used in the Indenture, the Pledge and Security Agreement, the Agency Mortgage or the Tax Regulatory Agreement herein below defined. The following terms shall have the following meanings in this Agreement:

Agency 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.

Agency Mortgage shall mean, collectively, the Agency Mortgage and Security Agreement (Acquisition Loan), the Agency Mortgage and Security Agreement (Building Loan) and the Agency Mortgage and Security Agreement (Indirect Loan), each dated as of even date herewith, and each from the Agency 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.

Agreement shall mean this Installment Sale Agreement and Assignment of Lease, dated as of June 1, 2006, between the Agency and the Institution, and shall include any and all amendments hereof and supplements hereto hereafter made in conformity herewith and with the Indenture.

Audit shall mean the Phase I Environmental Site Assessment, dated February 16, 2006 and prepared by Whitestone Associates, Inc.

Authorized Representative shall mean (i) in the case of the Agency, the Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel, Vice President for Legal Affairs, Secretary or Assistant Secretary of the Agency, or any officer or employee of the Agency authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, its President, Executive Vice President, any Vice President, Chief Financial Officer, Chief Fiscal Officer, Treasurer, Assistant Treasurer, Secretary or Assistant Secretary or any other officer or employee of the Institution authorized to so act; 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 Security 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.

Bonds shall mean the Series 2006 Bonds and any Additional Bonds.

City means The City of New York.

Closing Date shall mean June 29, 2006, the date of original issuance and delivery of the Series 2006 Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder.

Company Lease shall mean the Company Lease Agreement, dated as of even date herewith, between the Institution and the Agency, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Control Agreement shall mean the Control Agreement, dated as of even date herewith, among the Trustee, the Institution and Hudson Valley Bank, as depository bank, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Event of Default shall have the meaning specified in Section 7.1 hereof.

Facilities shall mean, collectively, the Facility Realty and the Facility Personalty.

Facility shall mean a portion of the Facility Realty and the Facility Personalty located thereon.

Facility Personalty shall mean, collectively, all machinery, equipment, trade fixtures, furniture, furnishings and other tangible personal property the acquisition and/or the installation of which is financed or refinanced in whole or in part with the proceeds of the Bonds as part of the Project pursuant to Section 2.1 hereof and described in the Description of Facility Personalty in the appendices hereto, to the Company Lease, to the Indenture and, if applicable, to the Agency Mortgage, whether or not any of the same shall have been in existence and the subject of the Company Lease on the Closing Date, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto; but excluding, however, the Institution's Property, as such term is defined in Section 4.1(c) hereof. The Facility Personalty shall, in accordance with the provisions of Sections 4.2, 5.1 and 6.4 hereof, include all property substituted for or replacing items of the Facility Personalty and exclude all items of the Facility Personalty so substituted for or replaced or removed as permitted in Sections 4.2 and 6.4 hereof.

Facility Realty shall mean, collectively, the land described in the Description of Facility Realty in the appendices hereto, to the Company Lease, to the Indenture and, in the case of the Mortgaged Facilities, to the Agency Mortgage, and all rights or interests therein or appertaining thereto, together with the buildings known as Alumnae Hall, Spellman Hall, Mastronardi Hall, the Grace Center, the Science Hall and the Administration Building and all other buildings, structures, foundations, related facilities, fixtures (other than trade fixtures) and other improvements now or at any time made, erected or situated thereon (including the improvements made pursuant to Section 2.1 hereof), whether or not any such improvements shall have been in existence and the subject of the Company Lease on the Closing Date, and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto; but excluding, however, any property or interest therein released pursuant to Section 6.4 hereof.

Fiscal Year of the Institution shall mean a year of 365 or 366 days, as the case may be, commencing on July 1 and ending on June 30 or such other year of similar length as to which the Institution shall have given prior written notice thereof to the Agency, the Trustee and the Series 2006 Bond Insurer at least ninety (90) days prior to the commencement thereof.

Indenture shall mean the Indenture of Trust, dated as of even date herewith, between the Agency and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XII of the Indenture.

Institution shall mean College of Mount Saint Vincent, a not-for-profit education corporation organized and existing under and by virtue of the laws of the State of New York, and its permitted successors and assigns pursuant to Sections 6.1 and 9.3 hereof (including any surviving, resulting or transferee corporation as provided in Section 6.1 hereof).

Institution's Property shall have the meaning ascribed to such term in Section 4.1(c) hereof.

Legal Requirements shall mean the respective 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 but not limited to zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wages, and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the Institution, (ii) any Facility or any part thereof, or (iii) any use or condition of any 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 Agency, the Trustee, the Underwriter and the Series 2006 Bond Insurer.

Mortgaged Facilities shall mean, collectively, the facilities known as Alumnae Hall, Spellman Hall and Mastronardi Hall (which comprise a portion of the Facility Realty) and the related Facility Personalty, all as described in the appendices to the Agency Mortgage.

Net Proceeds shall mean, when used with respect to any insurance proceeds or condemnation award, compensation or damages, the gross amount from any such proceeds, award, compensation or damages less all expenses (including attorneys' fees and any extraordinary expenses of the Agency or the Trustee) incurred in the collection thereof.

Pledge and Security Agreement shall mean the Pledge and Security Agreement, dated as of even date herewith, between the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Prohibited Person shall mean shall mean (i) any Person (a) that is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with

the Agency or the City, or (b) that directly or indirectly controls, is controlled by, or is under common control with a Person that is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Agency or the City, unless such default or breach has been waived in writing by the Agency or the City, as the case may be, and (ii) any Person (a) that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure, or (b) that directly or indirectly controls, is controlled by, or is under common control with a Person that has been convicted in a criminal proceeding for a felony or any crime involving moral turpitude or that is an organized crime figure or is reputed to have substantial business or other affiliations with an organized crime figure.

Project shall mean the financing and refinancing of the Facilities as described in the recitals hereto.

Project Development Rights shall mean the right of the Institution to proceed with the Project under the Act, and, in so doing, to develop, own, construct, renovate, equip and furnish the Facilities for its use and occupancy as described in this Agreement and to utilize the proceeds of the Agency's Bonds for such purpose, subject in each case to the limitations therefor set forth in this Agreement and the other Project Documents.

Residence Halls shall mean, collectively, the facilities known as Alumnae Hall, Spellman Hall and Mastronardi Hall which comprise a portion of the Facility Realty.

Series 2006 Bonds shall mean, collectively, the Series 2006A Bonds and the Series 2006B Bonds.

Series 2006A Bonds shall mean the \$14,650,000 Civic Facility Refunding and Improvement Revenue Bonds (2006 College of Mount Saint Vincent Project), Series A of the Agency issued under the Indenture.

Series 2006B Bonds shall mean the \$7,350,000 Adjustable Rate Civic Facility Revenue Bonds (2006 College of Mount Saint Vincent Project), Series B of the Agency issued under the Indenture.

Sisters of Charity shall mean The Sisters of Charity of St. Vincent DePaul of New York, and its successors and assigns as landlord under the Sisters of Charity Lease.

Sisters of Charity Lease shall mean the Agreement of Lease, dated as of June 29, 2006, between the Sisters of Charity and the Institution, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and herewith.

Tax-Exempt Organization shall mean a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code and exempt from Federal income taxes under 501(a) of Code, or corresponding provisions of Federal income tax laws from time to time in effect.

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

Trustee shall mean The Bank of New York, 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.

Underwriter shall mean, in the case of the Series 2006 Bonds, Merrill Lynch, Pierce, Fenner & Smith Incorporated, New York, New York.

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), limited liability companies, trusts, corporations 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.

Section 1.3. Representations and Warranties by Agency. The Agency makes the following representations and warranties:

(a) The Agency is a corporate governmental agency constituting a body corporate and politic and a public benefit corporation duly organized and existing under the laws of the State, and is authorized and empowered to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper action of its members, the Agency has duly authorized the execution and delivery of this Agreement.

(b) In order to finance and refinance a portion of the cost of the Project, the Agency proposes to issue the Series 2006 Bonds in the aggregate principal amount of \$22,000,000 and to consist of \$14,650,000 Series 2006A Bonds and \$7,350,000 Series 2006B Bonds. The Series 2006 Bonds will mature, bear interest, be redeemable and have the other terms and provisions set forth in the Indenture.

Section 1.4. Findings by Agency. The Agency, based upon the representations and warranties of the Institution contained in this Agreement and the information contained in the application and other materials heretofore submitted by or on behalf of the Institution to the Agency, hereby finds and determines that the financing and refinancing of a portion of the costs of the Project by the Agency and the sale and assignment of the Agency's leasehold interest in the Facilities under the Company Lease to the Institution is reasonably necessary to induce the Institution to proceed with the Project.

Section 1.5. Representations and Warranties by 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 of New York, is not in violation of any provision of its charter or bylaws, has the corporate 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 a party. The Institution is duly qualified to do business in every jurisdiction in which such qualification is necessary.

(b) The execution, delivery and performance of this Agreement and each other Project Document to which the Institution is a party and the consummation of the transactions herein and therein contemplated have been duly authorized by all requisite corporate action on the part of the Institution and will not violate any provision of law, any order of any court or agency of government, or the charter or bylaws 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 subject to or bound, or 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 result in the imposition of any lien, charge or encumbrance of any nature whatsoever other than Permitted Encumbrances.

(c) The assistance of the Agency in the financing, refinancing or reimbursement to the Institution of a portion of the costs of the Project is reasonably necessary to induce the Institution to proceed with the Project.

(d) The Project will not result in the removal of a plant or facility of the Institution from one area of the State to another area of the State or the abandonment of facilities of the Institution within the State but outside of the City.

(e) The total cost of the Project being funded or refinanced with the Series 2006 Bonds is at least \$22,000,000, which represents only a portion of the total cost of the entire Project to the Institution.

(f) 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 generally accepted accounting principles applied on a consistent basis.

(g) Any costs incurred with respect to that part of the Project paid from the proceeds of the sale of the Series 2006 Bonds shall be treated on the books of the Institution as capital expenditures in conformity with generally accepted accounting principles applied on a consistent basis.

(h) The property included in the Facilities is either property of the character subject to the allowance for depreciation under Section 167 of the Code, or land.

(i) No part of the proceeds of the Series 2006 Bonds will be used to finance inventory or will be used for working capital.

(j) The Project is included within the definition of "project" under the Act.

(k) All consents, approvals or authorizations, if any, of any governmental authority required on the part of the Institution (y) in connection with the execution and delivery of this Agreement and each other Project Document to which the Institution shall be a party, or (z) in connection with the leasing or subleasing, as applicable, of the Facilities by the Institution to the Agency concurrently with the issuance and delivery of the Series 2006 Bonds, have been duly obtained.

(l) This Agreement and the other Project Documents to which the Institution is a party constitute the legal, valid and binding obligations of the Institution enforceable against it in accordance with their respective terms.

(m) The operation of the Facilities which are completed as of the Closing Date are, and will continue to be, in compliance with all applicable Legal Requirements. The Residence Halls have been designed, and the operation of the Residence Halls will be, in compliance with all applicable Legal Requirements.

(n) There is no action or proceeding pending or to the best knowledge of the Institution threatened by or against the Institution by or before any court or administrative agency that might adversely affect the ability of the Institution to perform its obligations under this Agreement and each other Project Document to which the Institution shall be a party, and all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by the Institution as of the Closing Date in connection with the execution and delivery of this Agreement and each other Project Document to which the Institution shall be a party or in connection with the performance of the obligations of the Institution hereunder and under each of the Project Documents have been or will be obtained on a timely basis.

(o) The Institution intends to operate each of the Facilities or cause each of the Facilities to be operated (i) in accordance with this Agreement, (ii) as a qualified "project" in accordance with and as defined under the Act and (iii) as a "civic facility" as such term is used in the Act.

(p) There is no existing violation against any of the Facilities filed by any court or administrative agency that may prohibit the ability of the Institution to use or operate any of the Facilities for its intended purposes or for which the Institution has not otherwise agreed or made arrangements to have removed and satisfied of record.

(q) No part of the proceeds of the Series 2006 Bonds will be used to finance a project where facilities or property that are primarily used in making retail sales to customers who personally visit such facilities constitute more than one third of the total project cost. For purposes of this representation, retail sales shall mean: (i) sales by a registered vendor under article twenty-eight of the New York tax law primarily engaged in the retail sale of tangible personal property, as defined in subparagraph (i) of paragraph four of subdivision (b) of section eleven hundred one of the New York tax law; or (ii) sales of a service to such customers.

(r) Pursuant to the Company Lease, the Institution has vested the Agency with valid leasehold estates in each of the Facilities. The execution of this Agreement shall not be deemed to create a merger of the leasehold estate hereby vested in the Institution with the fee or leasehold estate in any of the Facilities currently held by the Institution.

(s) The Sisters of Charity Lease is in full force and effect, and the Institution has no knowledge of any breach or default on its part thereunder, if any, which, if uncured, might cause an "event of default" under the Sisters of Charity Lease.

(t) The execution, delivery and performance of this Agreement, of the Company Lease and of the Agency Mortgage by the Institution do not constitute a breach, default or violation of the terms of the Sisters of Charity Lease, nor do they require any consent of the Sisters of Charity which consent has not been obtained prior to the Closing Date.

(u) The Sisters of Charity Lease will expire on June 2, 2036.

(v) Neither the Institution nor any Affiliate thereof is a Prohibited Person.

(w) The Fiscal Year of the Institution commences on July 1 and ends on the next succeeding June 30.

(x) The approximate square footage of the

- (1) Alumnae Hall is 50,100 square feet;
- (2) Spellman Hall is 69,546 square feet;
- (3) Mastronardi Hall is 35,600 square feet;
- (4) Grace Center is 43,873 square feet;
- (5) Science Hall is 32,208 square feet;
- (6) Administration Building is 108,767 square feet.

(y) The aggregate amount of proceeds of the Series 2006 Bonds to be applied to finance or refinance dormitories for the Institution is less than \$20,000,000.

(z) The Institution has not heretofore made a pledge of, or granted a lien or mortgage on, the Mortgaged Facilities or any part thereof, except for Permitted Encumbrances.

ARTICLE II

The Project

Section 2.1. The Project. (a) Pursuant to the Company Lease, the Institution has vested the Agency with a valid leasehold estate in the Facility Realty and to such items of the Facility Personalty as shall have been acquired as of the Closing Date, in each case free and clear of all liens, claims, charges, encumbrances, security interests and servitudes other than Permitted Encumbrances, all against payment therefor by the Agency from the proceeds of the Series 2006 Bonds deposited in the Project Fund to the extent permitted in Section 2.2 hereof and Section 6.02 of the Indenture.

(b) As promptly as practicable after receipt of the proceeds of sale of the Series 2006 Bonds and out of said proceeds of sale, the Institution will, subject to provisions of Section 2.2 hereof, complete the Residence Halls substantially in accordance with the plans and specifications therefor. Any item of the Facility Personalty acquired after the Closing Date shall be deemed part of the Facility Personalty as of the date such item of the Facility Personalty is financed in whole or in part from the proceeds of the Bonds. All structures, buildings, foundations, related facilities, fixtures (other than trade fixtures) and other improvements made with respect to the land constituting part of a Facility after the Closing Date shall be deemed part of such Facility as and when made and incorporated therein. The cost of the Project shall be paid from the Project Fund established under the Indenture or as otherwise provided in Section 2.2 hereof. All contractors, materialmen, vendors, suppliers and other companies, firms or persons furnishing labor, services or materials for or in connection with the Residence Halls shall be designated by the Institution.

(c) In order to accomplish the purposes of the Agency, and to assure the effectuation of the Project in conformity with the requirements of the Institution, the Institution has designed the Residence Halls, prepared the sites of the Residence Halls and will commence with the construction and/or renovation of the Residence Halls on the Closing Date or soon thereafter.

(d) The Institution shall pay (i) all of the costs and expenses in connection with the preparation of any instruments of conveyance and transfer of a leasehold interest in the Facilities to the Agency, the delivery of any instruments and documents and their filing and recording, if required, (ii) all taxes and charges payable, if any, in connection with such conveyance and transfer, or attributable to periods prior to such conveyance and transfer, and (iii) all shipping and delivery charges and other expenses or claims incurred in connection with the Project.

(e) The Institution covenants that it has obtained or will obtain or cause to be obtained all necessary approvals (to the extent that the Sisters of Charity does not have exclusive standing to obtain the same or cause the same to be obtained) from any and all governmental agencies with respect to the Project, all of which have been or will be done in compliance with all applicable Legal Requirements, and with the conditions and requirements of all policies of insurance with respect to the Facilities and this Agreement, including, with respect to any item of the Facility Personalty, all manufacturers' instructions and warranty requirements. Upon

completion of each Residence Hall, the Institution will promptly obtain or cause to be obtained all required occupancy and operation permits, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy, operation and use of such Residence Hall for the purposes contemplated by this Agreement and shall furnish copies of same to the Agency and the Trustee promptly upon receipt thereof.

(f) Upon request, the Institution will extend to the Agency and the Trustee all vendors' warranties received by the Institution in connection with the Residence Halls, including any warranties given by contractors, manufacturers or service organizations who perform work with respect to the Residence Halls.

(g) The Institution shall take such action and institute such proceedings as shall be necessary to cause and require all contractors and material suppliers to complete their contracts diligently in accordance with the terms of said contracts, including, without limitation, the correcting of any defective work, with all expenses incurred by the Institution or the Agency in connection with the performance of its obligations under this Section to 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.

(h) A good and valid leasehold interest in all items of personalty incorporated or installed as part of the Facilities and to constitute the Facility Personalty shall vest in the Agency immediately upon the delivery to or installation or incorporation into the Facility Realty or payment therefor, whichever shall occur first, pursuant to the Company Lease, free and clear of all liens, claims, charges, security interests and encumbrances other than Permitted Encumbrances, and shall be immediately deemed sold by the Agency to the Institution as provided in Section 3.1 hereof. The Institution shall take all action necessary to so convey a leasehold interest in the Facility Personalty to the Agency and to protect such leasehold interest of the Agency against claims of any third parties.

Section 2.2. Completion by Institution. (a) The Institution unconditionally covenants and agrees that it will complete the Residence Halls, or cause the Residence Halls to be completed by June 28, 2009, and that such completion will be effected in a first-class workmanlike manner, using appropriate materials, free of defects in materials or workmanship (including latent defects), as applicable, and in accordance with this Agreement and the Indenture. 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 said Project Fund and shall not be entitled to any reimbursement therefor from the Agency, the Trustee, the Series 2006 Bond Insurer or the Holders of any of the Bonds (except from the proceeds of Additional Bonds which may be issued for that purpose), nor shall the Institution be entitled to any diminution of the installment purchase payments payable or other payments to be made under this Agreement or under any other Project Document.

(b) Upon completion of the Residence Halls, the Institution shall deliver to the Agency and the Trustee a certificate of an Authorized Representative of the Institution substantially in the form set forth in Schedule A attached hereto, together with all attachments required therein.

Section 2.3. Issuance of Series 2006 Bonds. On the Closing Date, the Agency will sell and deliver the Series 2006 Bonds in the aggregate principal amount of \$22,000,000 under and pursuant to a resolution adopted by the Agency on April 11, 2006, authorizing the issuance of the Series 2006 Bonds and under and pursuant to the Indenture. The proceeds of sale of the Series 2006 Bonds shall be deposited and applied in accordance with the provisions of the Indenture.

Section 2.4. Title Insurance. On the Closing Date, the Institution will obtain (a) leasehold title insurance in an amount not less than \$500,000.00 insuring the Agency's leasehold interest in each Facility Realty pursuant to the Company Lease against loss as a result of defects in the leasehold interest of the Agency, and (b) mortgagee title insurance in an amount not less than \$22,000,000 insuring the Trustee's interest under the Agency Mortgage as holder of mortgage liens on the Mortgaged Facilities, in each case subject only to Permitted Encumbrances, and (c) a current or updated survey of the site of each Facility Realty certified to the Agency and of the Mortgaged Facilities to the Trustee. The title insurance policies 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 Agency and the Trustee; (3) an undertaking by the title insurer to provide the notice of title continuation or endorsement; and (4) such other matters as the Agency and/or the Trustee shall request. Any proceeds of such leasehold title insurance shall be paid to the Trustee for deposit in the Renewal Fund and applied to remedy the defect in title (including, but not limited to, the reimbursement to the Institution for any costs incurred by the Institution in remedying such defect in title). If not so capable of being applied or if any amounts remain, the amounts in the Renewal Fund shall be transferred by the Trustee in the Redemption Account of the Bond Fund. The mortgagee title insurance policy shall be redated as of the completion date of the last Residence Hall completed.

ARTICLE III

Sale of Interest in Facilities, Installment Purchase Payments and Related Provisions

Section 3.1. Lease, Sale and Assignment of the Facilities. (a) Pursuant to the Company Lease, the Institution has leased or subleased, as applicable, each of the Facilities to the Agency. The Agency hereby assigns, conveys, sells and transfers to the Institution the Project Development Rights together with the Agency's leasehold interest in the Facilities (other than the Agency's Reserved Rights), all for and during the term herein provided and upon and subject to the terms and conditions herein set forth. The Institution shall at all times during the term of this Agreement occupy, use and operate each of the Facilities (or cause each of the Facilities to be occupied, used or operated) as a civic facility within the meaning of the Act and for the general purposes specified in the recitals to this Agreement. The Institution shall not occupy, use or operate the Facilities or allow the Facilities or any part thereof to be occupied, used or operated for any unlawful purpose or in violation of any certificate of occupancy affecting any of the Facilities or which may constitute a nuisance, public or private, or make void or voidable any insurance then in force with respect thereto.

(b) It is the intention of the Agency and the Institution under this Agreement that the sale and assignment by the Agency hereunder of its leasehold interest in the Facilities under the Company Lease shall not result in a merger of the leasehold estates and interests of the Institution and the Agency under and in the Company Lease so as to effect a termination or any other impairment of the Company Lease; and until the termination of the Company Lease in accordance with its terms or the expiration hereof, the Company Lease shall continue in full force and effect to the same extent as if the Agency had not sold or assigned its leasehold interest in the Facilities to the Institution pursuant to this Agreement.

Section 3.2. Duration of Term. The term of this Agreement shall commence on the Closing Date and shall expire on the earliest of (i) 11:58 p.m. (New York City time) on June 1, 2036, (ii) such date as this Agreement may be terminated as hereinafter provided, or (iii) the payment in full of all the Bonds (whether at maturity or earlier redemption or upon defeasance or discharge of the Bonds under the Indenture as provided in Section 11.01 thereof) so that the Bonds shall cease to be Outstanding under the Indenture. The Agency hereby delivers to the Institution, and the Institution hereby accepts, sole and exclusive possession of the Facilities as the Agency has received under the Company Lease.

Section 3.3. Payment Provisions; Pledge of Agreement and Installment Purchase Payments. (a) The Institution covenants to make installment purchase payments for and in respect of the sale by the Agency to the Institution of the Agency's leasehold interest in the Facilities pursuant to this Agreement, which the Agency agrees shall be paid by the Institution directly to the Trustee, in immediately available funds, for deposit in the Bond Fund, payable as follows: (i) in six (6) equal installments over the seven (7) months preceding an Interest Payment Date (except that the monthly installments with respect to the first Interest Payment Date of December 1, 2006 due on the Series 2006A Bonds shall commence on August 1, 2006 with four (4) equal monthly installments) so that at least twenty (20) days prior to each Interest Payment Date for the Bonds, the full amount of the interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding (including interest on Liquidity Facility

Series 2006B Bonds at the Liquidity Facility Series 2006B Bond Rate) (less any amounts on deposit in the Interest Account of the Bond Fund available for the payment of such interest) has been paid, provided, however, that while Series 2006B Bonds are in the Auction Mode, the Daily Mode, the Weekly Mode or the R-FLOATS Mode, payments with respect to the interest due on the Series 2006B Bonds for an Interest Payment Date may be made in immediately available funds no later than five (5) days prior to the Interest Payment Date, (ii) in twelve (12) equal installments over the thirteen (13) months preceding a principal payment date or Sinking Fund Installment payment date on the Bonds so that at least twenty (20) days prior to each principal payment date or Sinking Fund Installment payment date the aggregate amount of principal or Sinking Fund Installments becoming due and payable on the Outstanding Bonds, in each case on such principal payment date or Sinking Fund Installment payment date (less any amounts on deposit in the Bond Fund available for the payment of such principal or Sinking Fund Installments), has been paid, (iii) on any redemption date (other than by Sinking Fund Installment redemption), the principal amount of and redemption premium, if any, on the Bonds to be redeemed which will become due on the corresponding redemption date, together with accrued interest to the date of redemption, has been paid and (iv) on any acceleration date, the principal amount of the Bonds to be accelerated which will become due on the corresponding acceleration date, together with accrued interest to the date of acceleration, has been paid.

(b) Upon receipt by the Institution of notice from the Trustee pursuant to Section 6.07(b) of the Indenture that the amount on deposit in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement by reason of the occurrence of (i) a withdrawal from the Debt Service Reserve Fund, the Institution shall pay to the Trustee, for deposit in the Debt Service Reserve Fund on the first day of each month, commencing on the first day of the month immediately following receipt by the Institution of notice of such withdrawal deficiency, until the amount of such deficiency has been satisfied, one-twelfth (1/12) of the amount of such deficiency, or (ii) a deficiency determined upon the quarterly valuation of the Debt Service Reserve Fund as provided in Section 6.11 of the Indenture, the Institution shall pay to the Trustee, for deposit in the Debt Service Reserve Fund, on the first day of each month commencing on the first day of the month immediately following receipt by the Institution of notice of such valuation deficiency, until the amount of such deficiency has been satisfied, one-third (1/3) of the amount of such deficiency.

(c) Notwithstanding anything in the foregoing to the contrary, if the amount on deposit and available in the Bond Fund is not sufficient to pay the principal of, redemption premium, if any, Sinking Fund Installments for, if any, and interest on the Bonds when due (whether at maturity or by redemption or acceleration or otherwise as provided in the Indenture), the Institution shall forthwith pay the amount of such deficiency in immediately available funds to the Trustee for deposit in the Bond Fund and such payment shall constitute installment purchase payments under this Section 3.3.

(d) 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.

(e) The Institution shall have the option to prepay its installment purchase payment obligation with respect to the Bonds, in whole or in part at the times and in the manner provided in Article VIII hereof as and to the extent provided in the Indenture for redemption of the Bonds.

(f) 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 Agency on such Sinking Fund Installment payment date and any excess over such Sinking Fund Installment shall be credited on future Sinking Fund Installments in such order as an Authorized Representative of the Institution shall direct the Trustee in writing or, in the absence of such direction, in direct chronological order, and the principal amount of Bonds to be redeemed by operation of the mandatory Sinking Fund Installments shall be accordingly reduced.

(g) No further installment purchase payments need be made to the Agency on account of the Bonds during the term of this Agreement when and so long as the amount of cash and/or Defeasance Obligations on deposit in the Bond Fund and the amount in the Debt Service Reserve Fund are sufficient to satisfy and discharge the obligations of the Agency under the Indenture and pay the Bonds as provided in Section 11.01 of the Indenture.

(h) As security for the Series 2006 Bonds, the Agency and the Institution shall grant mortgage liens on and security interests in their respective interests in the Mortgaged Facilities pursuant to the Agency Mortgage prior to the lien of this Agreement. As security for the Bonds, the Agency shall pledge and assign to the Trustee pursuant to the Indenture, all of the Agency's right, title and interest in this Agreement (except for the Agency's Reserved Rights), including all installment purchase payments hereunder, and in furtherance of said pledge the Agency will unconditionally assign such installment purchase payments to the Trustee for deposit in the Bond Fund in accordance with the Indenture. The Institution hereby consents to the above-described mortgage liens and security interests, and pledge and assignment of this Agreement.

(i) The Institution covenants and agrees that it will comply with the provisions of the Indenture with respect to the Institution and that the Trustee shall have the power, authority, rights and protections provided in the Indenture. The Institution further covenants to use its best efforts to cause there to be obtained for the Agency any documents or opinions required of the Agency under the Indenture.

Section 3.4. Obligation of Institution Unconditional. The obligation of the Institution to pay the installment purchase payments and all other payments provided for in this Agreement and to maintain the Facilities in accordance with Section 4.1 of this Agreement shall be absolute and unconditional 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 Agency, the Trustee, the Series 2006 Bond Insurer

or the Holder of any Bond and the obligation of the Institution shall arise whether or not the Series 2006 Bond Insurer shall honor or be honoring its obligations under the Series 2006 Bond Insurance Policy or whether or not the Project has been completed as provided in this Agreement. The Institution will not suspend or discontinue any such payment or terminate this Agreement (other than such termination as is provided for 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 or the Facilities or any part thereof except as provided in this Agreement or to any abatement, suspension, deferment, diminution or reduction in the installment purchase payments or other payments hereunder.

Section 3.5. Mortgages; Negative Pledge. Except as set forth in Section 6.4 hereof, the Institution shall not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against the Facilities or any part thereof or any of its other property (real and personal, including acquired property), or the interest of the Institution in the Facilities or this Agreement except for Permitted Encumbrances. 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 Mortgaged Facilities (other than Permitted Encumbrances) prior to the mortgage liens thereon, and security interests therein, granted by the Agency Mortgage.

Section 3.6. Continuing Disclosure. The Institution hereby covenants and agrees that it will, 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 or the Holders of at least twenty-five percent (25%) aggregate principal amount in Outstanding Bonds, shall, upon receipt of reasonable indemnification for its fees and costs acceptable to it), and any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution to comply with its obligations under this Section 3.6. The Institution understands and agrees that the Agency shall have no continuing disclosure obligations.

Section 3.7. Payment for Tendered Series 2006B Bonds. Except for Series 2006B Bonds in the R-FLOATs Mode, if a Liquidity Facility is not in effect with respect to the Series 2006B Bonds or if the Liquidity Facility Provider with respect to the Series 2006B Bonds has not paid the full amount required to be paid at the times required under the Indenture, the Institution shall pay to the Tender Agent the amounts necessary for the purchase of such Series 2006B Bonds pursuant to Article III of the Indenture and not deposited with the Tender Agent by the Remarketing Agent from the proceeds of the sale of such Series 2006B Bonds pursuant to Article III of the Indenture. Each such payment by the Institution to the Tender Agent pursuant to this Section shall be in immediately available funds and paid to the Tender Agent at its principal corporate trust office by 2:00 p.m., New York City time, on each date upon which a payment is to be made pursuant to Article III of the Indenture.

ARTICLE IV

Maintenance, Taxes Payments in Lieu of Taxes and Insurance

Section 4.1. Maintenance, Alterations and Improvements. (a) During the term of this Agreement, the Institution will keep the Facilities in good and safe operating order and condition, ordinary wear and tear excepted, will occupy, use and operate the Facilities in the manner for which they were designed and intended and contemplated by this Agreement, and will make all replacements, renewals and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) reasonably necessary to ensure the continued operation by the Institution of the Facilities. All replacements, renewals and repairs shall be equal in quality, class and value to the original work and be made and installed in compliance with all applicable Legal Requirements. The Agency shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of any of the Facilities, to effect the replacement of any inadequate, obsolete, worn-out or unsuitable parts of any of the Facilities, or to furnish any utilities or services for any of the Facilities and the Institution hereby agrees to assume full responsibility therefor.

(b) The Institution may make such improvements to, alterations of or additions to any of (y) the Facilities that are operating as of the Closing Date or any part thereof at any time or (z) the Residence Halls or any part thereof after the completion date (such completion date set forth in the project completion certificate referred to in Section 2.2(b) hereof) from time to time, in each case, as the Institution in its discretion may determine to be desirable for its uses and purposes; provided however that in any event (i) the fair market value of such Facility is not reduced below its value immediately before such improvement, alteration or addition and the usefulness, structural integrity or operating efficiency of such Facility is not impaired by such improvement, alteration or addition, (ii) such improvements, additions or alterations are effected with due diligence, in a good and workmanlike manner and in compliance with all Legal Requirements, (iii) such improvements, additions or alterations are promptly and fully paid for by the Institution in accordance with the terms of the applicable contract(s) therefor, and in order that such Facility shall at all times be free of any mortgage, lien, charge, encumbrance, security interest or claim other than Permitted Encumbrances, and (iv) such improvements, additions or alterations do not change the nature of any of the Facilities so that it would not constitute a civic facility and a qualified "project" as defined in and as contemplated by the Act. All improvements to, alterations of and additions to the Facilities shall constitute a part of the Facilities, subject to this Agreement, the Indenture and, in the case of improvements to, alterations of and additions to the Mortgaged Facilities, the Agency Mortgage.

(c) The Institution shall have the right to install or permit to be installed at any of the Facilities machinery, equipment, furniture, furnishings and other personal property not constituting part of the Facility Personality (the "Institution's Property") without subjecting such property to this Agreement and the Company Lease and the lien and security interest of the Agency Mortgage. The Agency shall not be responsible for any loss of or damage to the Institution's Property. The Institution shall have the right to create or permit to be created any

mortgage, encumbrance, lien or charge on, or conditional sale or other title retention agreement with respect to, the Institution's Property.

(d) To the extent required by the New York State Finance Law §137, prior to executing any contract with any party for any improvement (as such term is defined in the New York Lien Law) in connection with the Project or any Facility or the provision of any goods or services in connection therewith, and prior to authorizing any party to undertake such improvement (or the provision of such goods and services) without a contract, the Institution shall deliver to the Agency a copy of the proposed contract therefor along with a bond, in compliance with State Finance Law §137 and otherwise satisfactory to the Agency, guaranteeing prompt payment of monies due all persons furnishing labor or materials for the contractor or his subcontractor in the prosecution of his work provided for in such contract. The Agency shall have no liability or responsibility for the cost of such bond(s). Should the Institution fail to comply with the foregoing requirement, the Institution shall immediately cease to be the agent for the Agency in connection with the Project pursuant to Section 2.1(b) hereof (such agency relationship being deemed to be immediately revoked).

Section 4.2. Removal of Property from the Facilities. (a) The Institution shall have the privilege from time to time of removing from the Facilities any fixture constituting part of the Facility Realty or any item constituting part of the Facility Personalty (the "Existing Facilities Property") and thereby causing the release of such item of Existing Facilities Property from this Agreement, provided that:

(i) such Existing Facilities Property is substituted or replaced by property (A) having equal or greater utility or function to the Institution, and (B) being free of all mortgages, liens, charges, encumbrances, claims and security interests other than Permitted Encumbrances; or

(ii) if such Existing Facilities 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 in excess of \$250,000, the Institution shall pay to the Trustee for deposit in the Redemption Account of the Bond Fund the amounts derived from such sale or scrapping, the trade-in value credit received or the proceeds received from such other disposition;

provided, however, no such removal as set forth in paragraph (i) or (ii) above shall be effected if (w) such removal would change the nature of any of the Facilities so it would not constitute a civic facility and a qualified "project" as defined in and as contemplated by the Act, (x) such removal would impair the usefulness, structural integrity or operating efficiency of any of the Facilities in any material respect, (y) such removal would reduce the fair market value of any Facility below its value immediately before such removal or (z) if there shall exist and be continuing an Event of Default hereunder. Any amounts received pursuant to paragraph (ii) above which are not in excess of \$250,000 shall be retained by the Institution.

(b) The Institution shall deliver or cause to be delivered to the Agency and the Trustee appropriate documents conveying to the Agency a leasehold interest in any property installed or placed upon the Facilities pursuant to Section 4.2(a)(i) hereof and subjecting such

substitute or replacement property to this Agreement and, if it is installed or placed upon the Mortgaged Facilities, the liens and security interests of the Agency Mortgage, and upon written request of the Institution, the Agency shall deliver to the Institution appropriate documents releasing the Agency's interest in any property removed from the Facilities pursuant to Section 4.2(a) hereof. The Institution agrees to pay all costs and expenses (including reasonable counsel fees and disbursements) incurred in subjecting to this Agreement and, if applicable, the liens and security interests of the Agency Mortgage, of any property installed or placed upon the Facility Realty as part of the Facilities pursuant to this Section 4.2 and the conveyance of any Existing Facilities Property of the Institution.

(c) The Institution shall not, without the prior written consent of the Agency and the Trustee, and except as permitted above, part with possession or control of or suffer to allow to pass out of its possession or control any item of the Facility Personalty or remove any item of the Facility Personalty from the Facilities.

(d) The removal from the Facilities of any Existing Facilities Property pursuant to the provisions of Section 4.2(a) hereof shall not entitle the Institution to any abatement or reduction in the installment purchase payments and other amounts payable by the Institution under this Agreement and under any other Security Document.

Section 4.3. Payment in Lieu of Real Estate Taxes. It is recognized that under the provisions of the Act, the Agency is required to pay no real estate taxes upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities. In the event the Agency's leasehold interest in any Facility Realty shall exempt such Facility Realty or any portion thereof from the imposition of real estate taxes, then, so long as the Institution (and each other user of such Facility Realty) remains an eligible not-for-profit corporation pursuant to the regulations of the New York City Department of Finance for purposes of determining exemption from New York City real estate taxes, and until the earlier of (i) the payment in full of all the Bonds Outstanding in accordance with Section 11.01 of the Indenture, and (ii) the date on which the Agency no longer has an interest in such Facility Realty, the Institution shall make no payments in lieu of real estate taxes on the land, buildings and improvements constituting part of such Facility Realty. However, to the extent the Institution is not an eligible not-for-profit corporation pursuant to the regulations of the New York City Department of Finance for purposes of determining exemption from New York City Real Estate Taxes or the Institution subleases the whole or any portion of such Facility Realty to an entity that is not exempt from New York City real estate taxes and the Institution would be obligated to pay any New York City real estate taxes, the Institution shall not claim an exemption from such real estate taxes by virtue of the Agency's leasehold interest in such Facility Realty.

Section 4.4. Taxes, Assessments and Charges. The Institution shall pay or cause to be paid when the same shall become due all taxes and assessments, general and specific, if any, levied and assessed upon or against any of the Facilities, this Agreement, the Company Lease, any estate or interest of the Agency or the Institution in any of the Facilities, or the installment purchase payments hereunder during the term of this Agreement, 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 Facilities, all of which are herein called "Impositions". The Agency shall promptly forward to the Institution any notice, bill or other statement received by the Agency concerning any Imposition. The Institution may pay any Imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance.

In the event any of the Facilities is exempt from Impositions solely due to the Agency's interest in such Facility, the Institution shall pay all Impositions to the appropriate taxing authorities equivalent to the Impositions that would have been imposed on such Facility if the Agency had no interest in such Facility.

None of the foregoing prevents the Institution from contesting in good faith the validity, existence or applicability of any of the foregoing if (i) such contest shall not result in any of the Facilities or any part thereof or interest therein being in any danger of being sold, forfeited or lost, (ii) such contest shall not result in the Institution, the Agency or the Trustee being in any danger of any civil or any criminal liability other than normal accrual of interest, for failure to comply therewith, and (iii) the Institution shall have furnished such security, if any, as may be reasonably requested by the Agency or the Trustee to protect the security intended to be offered by the Security Documents.

Section 4.5. Insurance. (a) At all times throughout the term of this Agreement, including without limitation during any period of construction or reconstruction of any of the Facilities, the Institution shall maintain insurance against such risks, loss, damage and liability (including liability to third parties) and for such amounts as are customarily insured against by other enterprises of like size and type as that of the Institution, including, without limitation:

(i) During any period of construction, renovation, improvement or reconstruction of any of the Facilities, to the extent not covered by the general liability insurance referred to below, owners and contractors protective liability insurance for the benefit of the Institution, the Agency and the Trustee in a minimum amount of \$5,000,000 for each Facility (or such lesser amount agreed upon by the Agency and by the Trustee upon written request by the Institution) aggregate coverage for bodily and personal injury and property damage;

(ii) Commercial general liability insurance (including contractual liability coverage, together with any umbrella liability insurance) naming the Institution as the primary insured, and the Agency and the Trustee as additional insureds, in accordance with customary insurance practices for similar operations with respect to the Facilities and the business thereby conducted in a minimum amount of \$5,000,000 for each Facility Realty (or such lesser amount agreed upon by the Agency and by the Trustee upon written request by the Institution) per occurrence per location aggregate, which insurance (A) will also provide coverage of the Institution's obligations of indemnity under Section 6.2 hereof (excluding, however, those obligations of the Institution (1) requiring payment of taxes, (2) set forth in Section 6.2(a)(i) or (iv) hereof and (3) under Section 6.2(a)(viii) hereof to the extent not available to the Institution at commercially reasonable rates), and (B) may be effected under overall blanket or excess coverage policies of the Institution or any Affiliate thereof, provided, however, that at

least \$500,000 is effected by a General Liability insurance policy, and (C) shall not contain any provisions for a self-insured retention or deductible amount, except as may be otherwise approved in writing by the Agency in its sole discretion;

(iii) Workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Institution or the Agency is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of the Institution or any Affiliate thereof, or any contractor or subcontractor performing work with respect to the Facilities; the Institution shall require that all said contractors and subcontractors shall maintain all forms or types of insurance with respect to their employees required by laws;

(iv) During any period of construction, renovation, improvement or reconstruction of any of the Facilities, the Institution shall cause its general contractor to maintain liability insurance as a primary insured, and naming the Institution, the Agency and the Trustee as additional insureds, in a minimum amount of \$5,000,000 (or such lesser amount agreed upon by the Agency and by the Trustee upon written request by the Institution) on a "per project aggregate limit" (or any functional equivalent) for bodily and personal injury claims, which insurance shall also cover claims against the Institution and/or the Agency for negligence by a contractor and for negligence of subcontractors hired by the contractor or subcontractors, and for any vicarious liability of the Institution and/or the Agency and/or the Trustee arising from such contractor's or subcontractor's negligent activity; and

(v) Such other insurance, including revision of the insurance requirements set forth above, in such amounts and against such insurable hazards as the Agency and/or the Series 2006 Bond Insurer from time to time may reasonably require.

(b) All insurance required by Section 4.5(a) above shall be procured from and maintained with financially sound and generally recognized responsible insurance companies authorized and admitted to write such insurance in the State, or as otherwise approved by the Agency, and having an A.M. Best rating that is commercially reasonable and customarily required by other enterprises of like size and type as that of the Institution and acceptable to the Trustee. The Agency or the Trustee may change such rating requirements on a nondiscriminatory basis if required by substantial changes in insurance industry premiums, risks or coverage. At least once every Fiscal Year of the Institution, the Institution agrees (i) to deliver a certificate of an independent insurance consultant to the Trustee and the Series 2006 Bond Insurer which indicates that the insurance then maintained by the Institution meets the requirements of Sections 4.5(a) and 4.5(g) hereof and Section 1.2 of the Guaranty Agreement with any recommendations and (ii) to comply with such recommendations. The Institution shall not self-insure without the prior written consent of the Agency and the Series 2006 Bond Insurer.

(c) Each of the policies or certificates evidencing the insurance required above to be obtained shall:

(i) designate (except in the case of workers' compensation insurance) the Institution, the Trustee and the Agency as additional insureds as their respective interests may appear;

(ii) provide that all insurance proceeds with respect to loss or damage to the property of any of the Facilities (except as otherwise provided in Section 4.5(d) below) be endorsed and made payable to the Trustee, and shall name the Trustee as a loss payee under the standard loss payee clause and, with respect to the Mortgaged Facilities, name the Trustee as a mortgagee under the terms of a standard mortgagee clause, which insurance proceeds shall be paid over to the Trustee to be deposited in the Renewal Fund;

(iii) provide that there shall be no recourse against the Agency or the Trustee for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iv) provide that in respect of the respective interests of the Agency or the Trustee in such policies, the insurance shall not be invalidated by any action or inaction of the Institution (other than nonpayment of premium) or any other Person and shall insure the Agency and the Trustee regardless of, and any losses shall be payable notwithstanding, any such action or inaction;

(v) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Agency or the Trustee to the extent that such other insurance provides the Agency or the Trustee, as the case may be, with contingent and/or excess liability insurance with respect to its respective interest as such in the Facilities;

(vi) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Agency or the Trustee until at least thirty (30) days, or ten (10) days due to nonpayment of premium, after receipt by the Agency and the Trustee, respectively, of written notice by such insurers of such cancellation, lapse, expiration, reduction or change;

(vii) waive any right of subrogation of the insurers thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy; and

(viii) contain such other terms and provisions as any owner or operator of facilities similar to the Facilities would, in the prudent management of its properties, require to be contained in policies or interim insurance contracts with respect to facilities similar to the Facilities owned or operated by it.

(d) The Net Proceeds of any insurance received with respect to any loss or damage to the property of any of the Facilities (except if such Net Proceeds so received for any Loss Event shall be less than \$250,000 in which event such Net Proceeds shall be paid directly to the Institution and applied by the Institution to the rebuilding, replacement, repair and restoration of the Facilities with any excess to be retained by the Institution, subject to the terms and conditions of the Agency Mortgage) shall be deposited in the Renewal Fund and applied in accordance with Section 5.1 hereof and the Indenture.

(e) The Institution shall deliver or cause to be delivered to the Agency and the Trustee, in a form acceptable to the Agency and the Trustee, the following documents evidencing compliance with the insurance requirements of this Section 4.5: (i) on or prior to the Closing Date: (A) a broker's certificate of coverage, upon which the Agency and the Trustee may conclusively rely in order to confirm compliance with the requirements of this Section 4.5, confirming that the Institution, as of the Closing Date, has obtained insurance in accordance with the requirements of this Section 4.5, and (B) a certificate of liability insurance and certificates or other evidence of other required insurance, and, (ii) as soon as practicable thereafter, duplicate copies of insurance policies and/or binders. At least seven (7) Business Days prior to the expiration of any such policy, the Institution shall furnish the Agency and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by this Agreement.

(f) The Institution shall, at its own cost and expense, make all proofs of loss and take all other steps necessary or reasonably requested by the Agency or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by this Section 4.5. The Institution shall not do any act, or suffer or permit any act to be done, whereby any insurance required by this Section 4.5 would or might be suspended or impaired.

(g) The Institution further covenants to continuously maintain insurance on its other properties and against such risks (including casualty, accident and worker's compensation) in such amounts and with such deductibles, as are consistent with customary coverage, as from time to time in effect, in connection with the operation of properties of type and size comparable to properties as maintained by entities similar to the Institution; provided, that property and casualty coverage shall at all times be maintained in an amount at least equal to the Outstanding principal amount of the Bonds.

(h) THE AGENCY DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTERESTS OF THE INSTITUTION.

Section 4.6. Advances by Agency or Trustee. In the event the Institution fails to make any payment or perform or observe any obligation required of it under this Agreement, the Agency or the Trustee, after first notifying the Institution of any such failure on its part, may (but shall not be obligated to), and without waiver of any of the rights of the Agency or the Trustee under this Agreement, the Indenture or any other Security Documents, make such payment or otherwise cure any failure by the Institution to perform and observe its other obligations hereunder. All amounts so advanced therefor by the Agency or the Trustee shall become an

additional obligation of the Institution to the Agency or the Trustee, as applicable, which amounts, together with interest thereon at the annual rate of eighteen percent (18%) per annum from the date advanced, the Institution will pay upon demand therefor by the Agency or the Trustee, as the case may be. Any remedy herein vested in the Agency or the Trustee for the collection of the installment purchase payments or other amounts due hereunder shall also be available to the Agency or the Trustee for the collection of all such amounts so advanced.

Section 4.7. Compliance with Legal Requirements. The Institution agrees that it will, throughout the term of this Agreement and at its sole cost and expense, promptly observe and comply with all Legal Requirements, whether foreseen or unforeseen, ordinary or extraordinary, which shall now or at any time hereafter be binding upon or applicable to the Institution, any occupant, user or operator of any 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, without limitation, zoning variances, special exception and non-conforming uses), privileges, franchises and concessions. The Institution and the Agency will not, without the prior written consent of the Agency and the Trustee, initiate, join in or consent to any private restrictive covenant, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of any of the Facilities or any part thereof. The Institution shall indemnify and hold harmless the Indemnified Parties (as defined in Section 6.2 hereof) from and against all loss, cost, liability and expense (a) in any manner arising out of or related to any violation of the Institution or failure to comply by the Institution with any Legal Requirement or (b) imposed upon the Institution, or any of the Indemnified Parties by any Legal Requirement in connection with the transactions contemplated hereunder; in case any action or proceedings is brought against any of the Indemnified Parties in respect to any Legal Requirement, the Institution shall upon notice from any of the Indemnified Parties defend such action or proceeding by counsel reasonably satisfactory to the Indemnified Party.

The Institution may contest in good faith the validity, existence or applicability of any of the foregoing if (i) such contest shall not result in any of the Facilities or any part of any thereof or interest therein being in any danger of being sold, forfeited or lost, (ii) such contest shall not result in the Institution, the Agency or the Trustee being in any danger of any civil or any criminal liability other than normal accrual of interest, for failure to comply therewith, and (iii) the Institution shall have furnished such security, if any, as may be requested by the Agency or the Trustee to protect the security intended to be offered by the Security Documents.

ARTICLE V

Damage, Destruction and Condemnation

Section 5.1. Damage, Destruction and Condemnation. (a) In the event that at any time during the term of this Agreement the whole or part of any of the Facilities shall be damaged or destroyed, or taken or condemned by a competent authority for any public use or purpose, or by agreement among the Sisters of Charity and/or the Institution and/or the Agency or any Person having an interest in the affected Facility and those authorized to exercise such right or if the temporary use of any of the Facilities shall be so taken by condemnation or agreement (a "Loss Event"):

(i) the Agency shall have no obligation to rebuild, replace, repair or restore the affected Facility,

(ii) there shall be no abatement, postponement or reduction in the installment purchase payments or other amounts payable by the Institution under this Agreement or any other Security Document, and

(iii) the Institution will promptly give written notice of such Loss Event to the Agency, the Trustee and the Series 2006 Bond Insurer, generally describing the nature and extent thereof.

(b) Upon the occurrence of a Loss Event, the Net Proceeds derived therefrom shall be paid to the Trustee and deposited in the Renewal Fund (except as provided in Section 4.5(d) hereof) and the Institution shall either:

(i) at its own cost and expense (except to the extent paid from the Net Proceeds), within two (2) years of the Loss Event, promptly and diligently rebuild, replace, repair or restore the affected Facility or Facilities to substantially its or their condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the Institution shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Agency, the Trustee, the Series 2006 Bond Insurer or any Bondholder, nor shall the installment purchase payments or other amounts payable by the Institution under this Agreement or any other Security Document be abated, postponed or reduced, or

(ii) cause a principal amount of the Series 2006 Bonds to be redeemed in the Facility Allocation Percentage for the affected Facility or Facilities, or, if such affected Facility or Facilities not to be so rebuilt, replaced, repaired or restored constitutes the last remaining Facility or Facilities under this Agreement, cause the Series 2006 Bonds to be redeemed in whole. Upon the effecting of any such redemption, the affected Facility or Facilities shall be released from this Agreement and, in the case of a Mortgaged Facility, the liens and security interests of the Agency Mortgage.

Not later than ninety (90) days after the occurrence of a Loss Event, the Institution shall advise the Agency, the Trustee and the Series 2006 Bond Insurer in writing of the action to be taken by the Institution under this Section 5.1(b), a failure to so timely notify being deemed an election in favor of clause (i) above to be exercised in accordance with the provisions of clause (i) above.

If the Institution shall elect to or shall otherwise be required to rebuild, replace, repair or restore the affected Facility or Facilities as set forth in clause (i) above, the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in Section 6.03 of the Indenture to pay or reimburse the Institution, at the election of the Institution, either as such work progresses or upon the completion thereof, provided, however, the amounts so disbursed by the Trustee to the Institution shall not exceed the actual cost of such work. If, on the other hand, the Institution shall, if permitted under this Agreement and the Indenture, exercise its option in clause (ii) above, the Trustee shall transfer any Net Proceeds from the Renewal Fund to the Redemption Account of the Bond Fund to be applicable to the redemption of the related principal amount of Bonds in accordance with the Indenture.

(c) All such rebuilding, replacements, repairs or restorations shall

(i) automatically be deemed a part of the Facilities and be subject to this Agreement and, in the case of the Mortgaged Facilities, the liens and security interests of the Agency Mortgage,

(ii) if in excess of \$250,000, be in accordance with plans and specifications and cost estimates approved in writing by the Trustee,

(iii) not change the nature of any of the Facilities as a qualified "project" as defined in and as contemplated by the Act,

(iv) be preceded by the furnishing by the Institution to the Agency and the Trustee of a labor and materials payment bond, or other security, satisfactory to the Agency and the Trustee, and

(v) 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.

(d) Pending the disbursement or transfer thereof, the Net Proceeds in the Renewal Fund shall be applied and may be invested as provided in the Indenture.

(e) The Agency, the Trustee, the Series 2006 Bond Insurer and the Institution shall cooperate and consult with each other in all matters pertaining to the settlement, compromising, arbitration or adjustment of any claim or demand on account of any Loss Event, and the settlement, compromising, arbitration or adjustment of any such claim or demand shall be subject to the approval of the Institution, the Series 2006 Bond Insurer and the Trustee (such approvals not to be unreasonably withheld).

(f) If all or substantially all of each of the Facilities remaining under this Agreement shall be taken or condemned, or if the taking or condemnation renders each of the

Facilities remaining under this Agreement unsuitable for use by the Institution as contemplated hereby, the Institution shall exercise its option to terminate this Agreement pursuant to Section 8.1 hereof, and the amount of the Net Proceeds so recovered shall be transferred from the Renewal Fund and deposited in the Redemption Account of the Bond Fund, and the Institution shall thereupon pay to the Trustee for deposit in the Redemption Account of the Bond Fund an amount which, when added to any amounts then in the Bond Fund and in the Debt Service Reserve Fund and available for that purpose, shall be sufficient to retire and redeem the Bonds in whole at the earliest possible date (including, without limitation, principal and interest to the maturity or redemption date and redemption premium, if any), and to pay the expenses of redemption, the fees and expenses of the Notice Parties, together with all other amounts due under the Indenture and under this Agreement and under each other Security Document, and such amount shall be applied, together with such other available moneys in such Bond Fund, if applicable, to such redemption or retirement of the Bonds on said redemption or maturity date.

(g) The Institution shall be entitled to any insurance proceeds or condemnation award, compensation or damages attributable to Institution's Property or other improvements, machinery, equipment, furniture or other property installed on or about the Facility Realty that, at the time of such damage or taking, is not part of the Facilities nor subject to the Agency Mortgage.

(h) The Institution hereby waives the provisions of Section 227 of the New York Real Property Law or any law of like import now or hereafter in effect.

ARTICLE VI

Particular Covenants

Section 6.1. Dissolution or Merger; Restriction on Institution. The Institution agrees that at all times during the term of this Agreement it will (i) maintain its corporate existence, (ii) continue to be a not-for-profit corporation constituting a Tax-Exempt Organization subject to service of process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business as a foreign corporation in the State, (iii) not liquidate, wind-up or dissolve or otherwise dispose of all or substantially all of its property, business or assets remaining after the Closing Date, (iv) not consolidate with or merge into another corporation or permit one or more corporations to consolidate with or merge into it, and (v) not be, nor permit any Affiliate to be, a Prohibited Person. The Institution may, however, without violating the foregoing, upon prior written notice to the Agency, the Series 2006 Bond Insurer and the Trustee, and with the prior written consent of the Series 2006 Bond Insurer, consolidate with or merge into another not-for-profit corporation as shall constitute a Tax-Exempt Organization or permit one or more not-for-profit corporations as shall constitute Tax-Exempt Organizations to consolidate with or merge into it, or sell or otherwise transfer all or substantially all of its property, business or assets to another such not-for-profit corporation as shall constitute a Tax-Exempt Organization (and thereafter liquidate, wind-up or dissolve or not, as the Institution may elect); provided, however, that, in the event that the Institution is not the surviving, resulting or transferee corporation, as the case may be, such corporation (A) is a solvent not-for-profit corporation subject to service of process in the State and either organized under the laws of the State, or organized under the laws of any other state of the United States and duly qualified to do business as a foreign corporation in the State, (B) is a Tax-Exempt Organization, (C) assumes in writing all of the obligations of the Institution contained in this Agreement and all other Project Documents to which the Institution shall be a party, and (1) in the Opinion of Counsel, (y) such corporation shall be bound by all of the terms applicable to the Institution of this Agreement and all other Project Documents to which the predecessor Institution corporation shall have been a party, and (z) such action does not legally impair the security for the Holders of the Bonds or the Series 2006 Bond Insurer afforded by the Security Documents, and (2) in the Opinion of Bond Counsel, such merger, consolidation, sale or transfer will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes, (D) unless the Agency and the Series 2006 Bond Insurer shall otherwise consent (such consent not to be unreasonably withheld or delayed), has a positive net worth (as determined in accordance with generally accepted accounting principles and certified by an independent certified public accountant or firm of independent certified public accountants reasonably acceptable to the Agency, the Trustee and the Series 2006 Bond Insurer) after the merger, consolidation, sale or transfer of not less than ninety percent (90%) of the net worth of the Institution immediately prior to such merger, consolidation, sale or transfer, (E) is not a Prohibited Person, nor has an Affiliate constituting a Prohibited Person, and (F) would not be in default under any of the covenants and agreements set forth in this Installment Sale Agreement or in any other Project Document.

The Institution further covenants and agrees that it is and throughout the term of this Agreement will continue to be duly qualified to do business in the State and that any not-for-profit corporation as shall be a Tax Exempt Organization and succeeding to the rights of the

Institution under this Agreement shall be and continue to be duly qualified to do business in the State.

Section 6.2. Indemnity. (a) The Institution shall at all times indemnify, defend, protect and hold the Agency, the Trustee, the Bond Registrar, the Paying Agents, the Tender Agent, the Auction Agent, the Broker-Dealer, the Credit Facility Provider, the Liquidity Facility Provider, the Remarketing Agent, the Underwriter, the Series 2006 Bond Insurer and any director, member, officer, employee, servant, agent (excluding for this purpose the Institution, which is not obligated hereby to indemnify their own employees, Affiliates or affiliate individuals) of any of such Persons and persons under the control or supervision of any of such Persons (collectively, the "Indemnified Parties") harmless of, from and against any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed, excluding any income taxes and other taxes properly payable by the Indemnified Parties for reasons unrelated to the transactions contemplated under the Security Documents), demands, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs and expenses (collectively, "Claims") of any kind for losses, damage, injury and liability (collectively, "Liability") of every kind and nature and however caused (except, with respect to any Indemnified Party, Liability arising from the gross negligence or willful misconduct of such Indemnified Party); arising during the period commencing from March 14, 2006, the date the Agency adopted its inducement resolution for the Project, and continuing throughout the term of this Agreement (subject to Section 6.2(e) hereof), arising upon or about any Facility or resulting from, arising out of, or in any way connected with:

(i) the financing or refinancing of the costs of any of the Facilities and the marketing, issuance, sale and remarketing of the Bonds for such purpose,

(ii) the planning, design, acquisition, site preparation, construction, renovation, equipping, furnishing, installation or completion of the Project or any part thereof or the effecting of any work done in or about any of the Facilities, or any defects (whether latent or patent) in any of the Facilities,

(iii) the maintenance, repair, replacement, restoration, rebuilding, upkeep, use, occupancy, ownership, leasing, subletting or operation of any of the Facilities or any portion of any thereof,

(iv) the execution and delivery by the Indemnified Party, the Institution or any other Person of, or performance by the Indemnified Party, the Institution or any other Person, as the case may be, of, any of their respective obligations under, this Agreement, the Sisters of Charity Lease, the Indenture or any other Project Document, or other document or instrument delivered in connection herewith or therewith or the enforcement of any of the terms or provisions hereof or thereof or the transactions contemplated hereby or thereby,

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

(vi) any imposition arising from, burden imposed by, violation of, or failure to comply with any Legal Requirement, including, but not limited to, failure to comply with the requirements of the City's zoning resolution and the State Environmental Quality Review Act and their respective related regulations,

(vii) any injury to any Person or any damage to any property of (A) the Institution, or (B) any other Person or their respective officers, directors, officials, partners, members, employees, attorneys, agents or representatives, or persons under the control or supervision of the Institution or (C) any other Person who may be in or about the premises of any Facility,

(viii) the presence, disposal, release, or threatened release of any Hazardous Materials (as hereinafter defined) that are on, from, or affecting any 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 Agency, the Series 2006 Bond Insurer or the Trustee, which are based upon or in any way related to such Hazardous Materials including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses, or

(ix) any Claim commenced against an Indemnified Party, or other action or proceeding taken by an Indemnified Party, in any case with respect to any of the matters set forth in subparagraphs (i) through (viii) of this Section 6.2(a).

Such indemnification set forth above shall be binding upon the Institution for any and all Claims set forth herein and shall survive the termination of this Agreement.

(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 Claims 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 6.2(a) hereof, or at the direction of the Institution or any other obligor under any of the Security Documents with respect to any of such matters above referred to. 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 6.2; 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 6.2.

(c) (i) In addition to and without limitation of any other representations, warranties and covenants made by the Institution under this Agreement, the Institution further represents, warrants and covenants that it has not used Hazardous Materials on, from, or affecting any 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 that, except as set forth in the Audit, to the best of the

Institution's knowledge, no prior owner or occupant of any Facility has used Hazardous Materials on, from, or affecting any Facility in any manner that violates any applicable Legal Requirements.

(ii) Without limiting the foregoing, the Institution shall not cause or permit any 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 any Facility, a release of Hazardous Materials onto any Facility or onto any other property.

(iii) The Institution shall comply with and ensure compliance by all occupants and users of the Facilities with all applicable Legal Requirements, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all occupants and users of the Facilities obtain and comply with, any and all approvals, registrations or permits required thereunder; provided, however, that if any such occupant or user shall be an Affiliate of the Institution, the obligations of the Institution with respect to such Persons shall be absolute and not limited to best efforts.

(iv) 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 Facilities in accordance with all applicable Legal Requirements.

(v) In the event the Agency Mortgage is foreclosed, or a deed in lieu of foreclosure is tendered, or this Agreement is terminated, the Institution shall deliver the Facilities so that the conditions of the Facilities with respect to any and all Hazardous Materials shall conform with all applicable Legal Requirements affecting the Facilities.

(vi) The parties hereto agree that the reference in this Section 6.2(c) to the Audit is not intended, and should not be deemed to intend, to modify, qualify, reduce or diminish the Institution's obligations to carry out and perform all of the covenants stated throughout this Section 6.2, including but not limited to, those covenants wherein the Institution is obligated to indemnify each Indemnified Party and comply with all applicable Legal Requirements pertaining to Hazardous Materials.

For purposes of this Section 6.2, the term "Hazardous Materials" includes, without limit, any 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.

(d) To effectuate the purposes of this Section 6.2, the Institution will provide for and insure, in the public liability policies required in Section 4.5 hereof, not only its own

liability in respect of the matters therein mentioned but also the liability pursuant to this Section 6.2 (excluding, however, those obligations of the Institution (1) requiring payment of taxes, (2) set forth in Section 6.2(a)(i) or (iv) hereof and (3) under Section 6.2(a)(viii) hereof to the extent not available to the Institution at commercially reasonable rates). Anything to the contrary in this Agreement notwithstanding, the covenants of the Institution contained in this Section 6.2 shall remain in full force and effect after the termination of this Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (ii) 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.

(e) For the purposes of this Section 6.2, the Institution shall not be deemed an employee, agent or servant of the Agency or a person under the Agency's control or supervision.

(f) The provisions of this Section 6.2 shall be in addition to, and neither limit nor impair, the obligations of the Institution under the Security Documents, and any and all other obligations and liabilities the Institution may have to any Indemnified Party in any other agreement or at common law, and shall survive the termination of this Agreement.

(g) In addition to the protections hereinabove set forth in this Section 6.2, the Institution further agrees to protect, hold harmless and indemnify the Series 2006 Bond Insurer for, from and against any and all liability, obligations, losses, claims and damages paid or incurred in connection with the Institution's business or properties, the Security Documents and any related instrument (including all environmental liabilities regarding its properties) (except that the Institution shall not protect, hold harmless or indemnify the Series 2006 Bond Insurer for the willful or wanton acts or omissions, mistakes or gross negligence of the Series 2006 Bond Insurer, to the extent that such acts, omissions, mistakes or gross negligence of the Series 2006 Bond Insurer are successfully alleged to have caused the liability, obligation, loss, claim or damage) and expenses in connection with the Series 2006 Bonds including reasonable attorneys' fees and expenses. The obligations of the Institution to protect, hold harmless, reimburse and indemnify the Series 2006 Bond Insurer as set forth under this Section shall survive any termination, release, satisfaction and discharge of the Security Documents.

Section 6.3. Compensation and Expenses of Certain Parties. (a) 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, (ii) the 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 fees of its counsel, (iii) the fees, charges, and expenses of the Trustee for extraordinary services rendered by it under the Indenture, including counsel fees, (iv) the fees, costs and expenses of the Bond Registrar, and the fees, costs and expenses (including accounting and other administrative expenses and reasonable legal fees) of the Agency, (v) the fees of the Series 2006 Bond Insurer in connection with the Series 2006 Bond Insurance Policy, and (vi) the fees, charges, costs and expenses of the Credit Facility Provider, the Liquidity Facility Provider, the Remarketing Agent, the Tender Agent, the

Auction Agent, the Broker-Dealer and the Swap Provider. The Institution shall further pay the fees, costs and expenses of the Agency together with any disbursements and reasonable fees incurred by the Agency's Bond Counsel and General Counsel in performing services for the Agency in connection with this Agreement or any other Security Document.

(b) On the Closing Date, the Institution shall pay to the Agency its fee of \$133,300 (said amount representing the \$135,000 financing fee, plus an annual administrative fee of \$800.00, less an application fee of \$2,500.00). The Institution further agrees to pay, as an annual administrative servicing fee to the Agency, the amount of \$800.00 (subject to an adjustment up or down based on changes as of each November in the Consumer Price Index utilizing a base year of 2005) payable on each anniversary of the Closing Date until the termination of this Agreement. For purposes of this Section, "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers (CPI-U), for the region New York-Northern N.J.-Long Island, NY-NJ-CT-PA (1982-84=100, unless otherwise noted), as published by the U.S. Department of Labor Bureau of Labor Statistics.

(c) The Institution further agrees to pay or reimburse the Series 2006 Bond Insurer for any and all charges, fees, costs and expenses which the Series 2006 Bond Insurer may reasonably pay or incur in connection with the (i) administration, enforcement, defense, or preservation of any rights or security under any Security Document; (ii) the pursuit of any remedies under any Security Document or otherwise afforded by law or equity, (iii) any amendment, waiver, or other action with respect to or related to any Security Document whether or not executed or completed, (iv) the violation by the Institution of any law, rule, or regulation or any judgment, order or decree applicable to it, or (v) any litigation or other dispute in connection with any Security Document or the transactions contemplated thereby, other than amounts resulting from the failure of the Series 2006 Bond Insurer to honor its payment obligations under the Series 2006 Bond Insurance Policy. The Series 2006 Bond Insurer reserves the right to charge an administrative fee of \$2,500 (the "Administrative Fee") as a condition to executing any amendment, waiver or consent proposed in respect of any document or action taken after the Closing Date in connection with the Series 2006 Bonds and any of the Security Documents. The Series 2006 Bond Insurer reserves the right to require the payment of the reasonable fees and expenses of its counsel or other agents as a condition to executing any amendment, waiver or consent proposed in respect of any document or action taken after the Closing Date in connection with the Series 2006 Bonds and any of the Security Documents. All requests for any such amendments, waivers or consents shall be in writing and accompanied by the payment of the Administrative Fee and directed to the Series 2006 Bond Insurer at the address set forth in Section 9.7 hereof, Attention: Risk Management Department. The obligations of the Institution to the Series 2006 Bond Insurer shall survive discharge and termination of this Agreement.

Section 6.4. Retention of Interest in Facilities; Grant of Easements; Release of Certain Land; Release of a Facility. (a) The Institution shall not sell, assign, encumber (other than Permitted Encumbrances), convey or otherwise dispose of its interest in any of the Facilities or any part of any thereof or interests therein during the term of this Agreement, except as set forth below and in Sections 4.2, 5.1 and 7.2 hereof, without the prior written consent of the Trustee, the Series 2006 Bond Insurer and the Agency and any purported disposition without such consent shall be void.

(b) The Institution may, with the prior written consent of the Agency, the Series 2006 Bond Insurer and the Trustee, so long as there exists no Event of Default hereunder, grant such rights of way or easements over, across, or under, any of the Facilities, or grant such permits or licenses in respect to the use thereof, free from the Company Lease, the Agency Mortgage and this Agreement, as shall be necessary or convenient for the operation or use of any of the Facilities, or required by any utility company, provided that, in each case, such leases, rights-of-way, easements, permits or licenses shall not adversely affect the use or operation of the related Facilities, and provided, further, that any consideration received by the Institution from the granting of said leases, rights of way, easements, permits or licenses shall be paid to the Trustee and deposited in the Redemption Account of the Bond Fund. The Agency agrees, at the sole cost and expense of the Institution, to execute and deliver and to cause and direct the Trustee to execute and deliver any and all instruments necessary or appropriate to confirm and grant any such right of way or easement or any such permit or license and to release the same from the Company Lease and this Agreement.

(c) Notwithstanding any other provision of this Agreement, so long as there exists no Event of Default hereunder, and the Institution delivers to the Series 2006 Bond Insurer, the Trustee and the Agency an Opinion of Bond Counsel to the effect that the following action will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes, the Institution may from time to time effect the release of and removal from the Company Lease, the Agency Mortgage and this Agreement of any unimproved part of any of the Facilities (on which none of the improvements, including the buildings, structures, related facilities, major appurtenances, fixtures or other property comprising such Facilities are situated) provided that such release and removal will not adversely affect the use or operation of any of the affected Facilities. Upon any such request by the Institution, the Agency shall, at the sole cost and expense of the Institution, execute and deliver and cause and direct the Trustee to execute and deliver any and all instruments necessary or appropriate to so release and remove such portion of the related Facilities from the Company Lease, the Agency Mortgage and this Agreement, subject to the following: (i) any liens, easements, encumbrances and reservations to which 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 part contained in this Agreement; (iv) Permitted Encumbrances (other than the liens of the Company Lease, the Indenture, the Agency Mortgage and this Agreement); and (v) any liens for taxes or assessments not then delinquent; provided, that, no such release shall be effected unless:

(1) there shall be delivered to the Agency, the Series 2006 Bond Insurer and the Trustee 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 portion of the related Facility and the release so proposed to be made is not needed for the operation of such Facility, will not adversely affect the use or operation of such Facility and will not destroy the means of ingress thereto and egress therefrom; and

(2) if the unimproved part of the related Facility had been acquired with the proceeds of the Bonds, the Institution shall cause the Bonds to be redeemed with the amount of cash deposited in the Redemption Account of the Bond Fund (to the nearest integral multiple of authorized denomination of the Bonds) equal to the greatest of (A) the original cost of the portion of such Facility so released, such 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 portion, 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 portion is released in connection with the sale of such portion, the amount received by the Institution upon such sale.

(d) Notwithstanding any other provision of this Agreement, so long as there exists no Event of Default hereunder, nor any event which upon the giving of notice or the passage of time or both, would constitute an Event of Default, the Institution may, upon written notice to the Agency, the Series 2006 Bond Insurer and the Trustee and compliance with the following, effect the release of a Facility from the leasehold estate of the Company Lease and this Agreement and from the liens and security interests of the Agency Mortgage, if applicable. Upon receipt of such notice, the Agency and the Trustee shall, at the sole cost and expense of the Institution, execute and deliver any and all instruments necessary or appropriate to so release and remove such Facility from the leasehold estate of the Company Lease, this Agreement and, if applicable, from the liens and security interests of the Agency Mortgage; provided, that, no such release shall be effected unless the Institution shall cause Bonds to be redeemed by depositing moneys in the Redemption Account of the Bond Fund (to the nearest integral multiple of authorized denomination of the Bonds) equal to the greatest of (A) the Facility Allocation Percentage with respect to the Facility to be released multiplied by the Outstanding principal amount of the Bonds, (B) the fair market value of such Facility to be released, 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 Facility is released in connection with the sale of such Facility, the amount received by the Institution upon such sale. If the Facility or Facilities to be released shall be the last remaining Facility or Facilities under this Agreement, then, notwithstanding the foregoing, the Institution shall cause the Bonds in whole to cease to be Outstanding and shall exercise its option to terminate this Agreement pursuant to Section 8.1 hereof.

(e) No conveyance or release effected under the provisions of this Section 6.4 shall entitle the Institution to any abatement or diminution of the installment purchase payments payable under Section 3.3 hereof or the other payments required to be made by the Institution under this Agreement or under any other Security Document.

Section 6.5. Institution's Covenant as to Tax Exemption. (a) The Institution covenants with the Agency, with the Series 2006 Bond Insurer, with the Trustee and with each of the Holders of the Bonds, that it will 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) 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.

(c) If any Bondholder receives from the Internal Revenue Service a notice of assessment and demand for payment with respect to interest on any Bond, an appeal may be taken by the Bondholder at the option of either the Bondholder 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 the Bondholder 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 Bondholder shall be required to disclose or furnish any non-publicly disclosed information, including without limitation, financial information and tax returns. Before the taking of any appeal which the Institution has elected to take, however, the Bondholder shall have the right to require the Institution to pay the tax assessed and conduct the appeal as a contest for reimbursement.

(d) The obligation of the Institution to make the payments provided for in this Section shall be absolute and unconditional, and the failure of the Agency, the Trustee, the Series 2006 Bond Insurer 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 6.6. Financial Statements; Reporting Requirements; No-Default Certificates. (a) The Institution agrees to provide notification to the Series 2006 Bond Insurer in the event of any significant change in the financial condition of the Institution and further agrees to furnish to the Trustee and the Series 2006 Bond Insurer (and, if so requested, the Agency) the following: (i) annual audited financial statements of the Institution within thirty (30) days of such statements being made available to the Institution, prepared in accordance with generally accepted accounting principles consistently maintained and accompanied by an unqualified report thereon by the Institution's independent auditor (which financial statements shall state whether the Institution is in compliance with Sections 6.22 and 6.23 hereof); (ii) a copy of any audit, budget, or other material report of the Institution within twenty (20) days of completion of such audit, budget or report and thereafter as updated; (iii) a copy of any notice or report required to be given to the Trustee, the Holders of the Series 2006 Bonds or any other party to any of the Security Documents executed in connection with the issuance of the Series 2006 Bonds, including, without limitation, notice of any redemption of or defeasance of the Series 2006 Bonds, and any certificate rendered pursuant to the Security Documents; (iv) a copy of any information filed by the Institution with any NRMSIR under SEC Rule 15c-2(12), simultaneously with the filing with such NRMSIR; (v) within 45 days of the close of the Fiscal Year of the Institution, the "Higher Education Statistical Questionnaire" in substantially the form attached hereto as Schedule E; and (vi) such additional information as the Series 2006 Bond Insurer may reasonably request.

(b) The Institution shall deliver to the Series 2006 Bond Insurer and the Trustee (and, if so requested, the Agency) with each delivery of annual financial statements pursuant to Section 6.6(a)(i) hereof, (i) a certificate of an Authorized Representative of the Institution as to whether or not, as of the close of such preceding Fiscal Year of the Institution, 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 Security 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, and (ii) a certificate of an Authorized Representative of the Institution that the insurance it maintains complies with the provisions of Section 4.5 of this Agreement and Section 1.2 of the Guaranty Agreement, that such insurance has been in full force and effect at all times during the preceding Fiscal Year of the Institution, and that duplicate copies of all policies or certificates thereof have been filed with the Agency and the Trustee and are in full force and effect. In addition, upon twenty (20) days prior request by the Agency, the Series 2006 Bond Insurer or the Trustee, the Institution will execute, acknowledge and deliver to the Agency, the Series 2006 Bond Insurer and the Trustee a certificate of an Authorized Representative of the Institution either stating that to his knowledge no default or breach exists hereunder or specifying each such default or breach of which he has knowledge.

(c) The Institution shall immediately notify the Agency, the Series 2006 Bond Insurer and the Trustee 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 Security Document of which it has knowledge. 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.

(d) The Institution shall deliver to the Agency on July 31 of each year, commencing July 31, 2007, a completed location and contact information report in the form attached hereto as Schedule D.

(e) The Institution will permit the Series 2006 Bond Insurer and the Insurance Trustee to discuss the affairs, finances and accounts of the Institution or any other information the Series 2006 Bond Insurer may reasonably request relating to the security for the Series 2006 Bonds with appropriate officers of the Institution. The Institution and the Trustee will permit the Series 2006 Bond Insurer and the Insurance Trustee to have access to, and to make copies of, all books and records relating to the Series 2006 Bonds and the security therefor, at any reasonable time.

Section 6.7. Discharge of Liens. (a) If any lien, encumbrance or charge is filed or asserted, 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 any of the Facilities or any part of any thereof or the interest therein of the Agency, the Institution or the Trustee or against any of the installment purchase payments or other amounts payable under this Agreement or the interest of the Institution under this Agreement or the Company Lease other than Liens for Impositions (as defined in Section 4.4 hereof) not yet payable, Permitted Encumbrances, or Liens being contested as permitted by Section 6.7(b) hereof, 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 Agency and the Trustee and take all action (including the payment of money and/or the securing of a bond) at its own cost and expense as may be necessary or appropriate to

obtain the discharge in full thereof 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 Agency for the performance of any labor or services or the furnishing of any materials that would give rise to any Lien against the Agency's interest in any of the Facilities.

(b) The Institution may at its sole expense contest (after prior written notice to the Agency, the Series 2006 Bond Insurer 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 (1) such proceeding shall suspend the execution or enforcement of such Lien against each of the Facilities or any part thereof or interest therein, or in this Agreement or in the Company Lease of the Agency, the Institution or the Trustee or against any of the installment purchase payments or other amounts payable under this Agreement, (2) none of the Facilities nor any interest therein would be in any danger of being sold, forfeited or lost, (3) neither the Institution, the Agency nor 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 (4) the Institution shall have furnished such security, if any, as may be required in such proceedings or as may be requested by the Agency or the Trustee to protect the security intended to be offered by the Security Documents.

Section 6.8. Agency's Authority. The Agency covenants and agrees that it has full right and lawful authority to enter into this Agreement for the full term hereof.

Section 6.9. No Warranty of Condition or Suitability. THE AGENCY 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 ANY OF THE FACILITIES, THEIR FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITIES, OR THE SUITABILITY OF ANY OF THE FACILITIES FOR THE PURPOSES OR NEEDS OF THE INSTITUTION OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BONDS WILL BE SUFFICIENT TO PAY THE COST OF THE PROJECT. THE INSTITUTION ACKNOWLEDGES THAT THE AGENCY IS NOT THE MANUFACTURER OF ANY OF THE FACILITY PERSONALTY NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN. THE INSTITUTION IS SATISFIED THAT EACH OF THE FACILITIES IS SUITABLE AND FIT FOR ITS PURPOSES. THE AGENCY 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 ANY OF THE FACILITIES 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.

Section 6.10. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Earnings Fund, the Debt Service Reserve Fund, the Rebate Fund, the Bond Fund, the Project Fund or the Renewal Fund upon the expiration or sooner or

later termination of the term of this Agreement as provided in this Agreement, after payment in full of the (i) Bonds (in accordance with Section 11.01 of the Indenture), (ii) the fees, charges, costs and expenses referred to in Section 6.3 hereof, (iii) all installment purchase payments and all other amounts payable hereunder, (iv) all amounts required to be rebated to the Federal government pursuant to the Tax Regulatory Agreement or the Indenture, (v) all amounts required to be paid to the Series 2006 Bond Insurer under the Series 2006 Bond Insurance Policy, and (vi) 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 installment purchase payments.

Section 6.11. Issuance of Additional Bonds. The Agency and the Institution recognize that under the provisions of and subject to the conditions set forth in this Agreement and in the Indenture, the Agency is authorized, with the consent of the Series 2006 Bond Insurer, to enter into a Supplemental Indenture and issue one or more series of Additional Bonds on a parity with the Series 2006 Bonds for the purpose of (i) completing the Project, (ii) providing funds in excess of the Net Proceeds of insurance or eminent domain to repair, relocate, replace, rebuild or restore any of the Facilities in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions or improvements to, or acquiring equipment or other personal property for, any of the Facilities, or providing other facilities, or (iv) refunding Outstanding Bonds. If the Institution is not in default hereunder, the Agency will consider the issuance 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. If Additional Bonds are to be issued pursuant to the Indenture, the Agency and the Institution shall enter into an amendment to this Agreement, providing, among other things, for the payment by the Institution of such additional installment purchase payments as are necessary in order to amortize in full the principal of and interest on such 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 Facilities and shall be included under this Agreement to the same extent as if originally included hereunder.

Section 6.12. Employment Information, Opportunities and Guidelines.
(a) Annually, by August 1 of each year, commencing August 1, 2007, until the termination of this Agreement, the Institution shall submit to the Agency a completed Employment and Benefits Report, in the form of Schedule B hereto. Upon the termination of this Agreement, the Institution shall submit to the Agency a completed Employment and Benefits Report, in the form of Schedule B hereto, relating to the period commencing from the last such filed employment report through the end of the last payroll date of the preceding month.

(b) The Institution shall ensure that all employees and applicants for employment by the Institution or its Affiliates with regard to each Facility are afforded equal employment opportunities without discrimination. 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 Community Services Division, and with the administrative entity of the service delivery area created by the Workforce Investment Act of 1998 (P.L. No. 105-220) (the "Workforce Act") in which the Facilities are located. Except as is otherwise provided by collective bargaining contracts or agreements, the

Institution agrees, where practicable, to first consider, and cause each of its Affiliates at each Facility to first consider, persons eligible to participate in the Workforce Act 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 New York State Department of Labor for such new employment opportunities.

(c) The Institution hereby authorizes any private or governmental entity, including but not limited to the New York State Department of Labor ("DOL"), to release to the Agency and/or the New York City Economic Development Corporation ("EDC"), 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 Agency and/or EDC to comply with its reporting requirements, applicable laws, rules or regulations and to determine compliance of the Project with this Section. In addition, upon the Agency's request, the Institution shall provide to the Agency any employment information in the possession of the Institution which is pertinent to the Institution and the employees of the Institution to enable the Agency and/or EDC to comply with its reporting requirements under New York City Local Law 69 of 1993 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 Agency, and/or EDC, 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 New York City Local Law 69 of 1993, (y) other reports required of the Agency, and (z) any other reports required by law. This authorization shall remain in effect throughout the term of this Agreement.

(d) 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 6.13. Redemption Under Certain Circumstances; Special Covenants.

(a) Upon the determination by resolution of the members of the Agency that the Institution is operating any of the Facilities or any portion thereof, or is allowing any of the Facilities or any portion thereof to be operated, in violation of material applicable law or not as a qualified "project" in accordance with the Act and the failure of the Institution within sixty (60) days (or such longer period as may be established pursuant to the proviso to this sentence) of the receipt by the Institution of written notice of such noncompliance from the Agency to cure such noncompliance together with a copy of such resolution (a copy of which notice shall be sent to the Series 2006 Bond Insurer and the Trustee), the Institution covenants and agrees that it shall, on the immediately succeeding Interest Payment Date following the termination of such sixty (60) day (or longer) period, pay to the Trustee advance installment purchase 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 such Interest Payment Date, provided, however, that if such noncompliance cannot be cured within such period of sixty (60) days with diligence (and is capable of being cured) and the Institution promptly commences the curing of such non-

compliance and thereafter prosecutes the curing thereof with diligence and to the Agency's reasonable satisfaction, such period of time within which the Institution may cure such failure shall be extended for such additional period of time as may be necessary to cure the same with diligence and the Agency shall notify the Trustee and the Series 2006 Bond Insurer of any such extension. The Agency shall give prior written notice of the meeting at which the members of the Agency are to consider such resolution to the Institution, the Series 2006 Bond Insurer and the Trustee, which notice shall be no less than sixty (60) days prior to such meeting.

(b) In the event the Institution fails to obtain or maintain the public liability insurance with respect to any Facility required under Section 4.5 hereof, 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 Agency and a demand by the Agency on the Institution to cure such noncompliance, upon notice or waiver of notice as provided in the Indenture, the Institution shall promptly pay to the Trustee advance installment purchase payment in immediately available funds in an amount sufficient to redeem all Bonds then Outstanding 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) Upon the circumstances set forth in Sections 2.17(b),(c), (d), (e) and (f) of the Indenture, the Institution shall pay or cause the prepayment of its installment purchase payment obligation with respect to the Bonds upon the circumstances and in the manner set forth in the Indenture.

(d) (i) If, prior to completion of the construction of a component of the Project, the Institution receives any gift or grant required by the terms thereof to be used to pay any item which is a cost of such component of the Project, the Institution shall apply such gift or grant to completion of the construction of such component of the Project. In the event that the amount of such gift or grant is in excess of the amount necessary to complete such component of the Project, and if proceeds of the Series 2006 Bonds (x) have been expended on such component of the Project more than eighteen (18) months prior to the receipt of such gift or grant, or (y) (1) 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 (2) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Series 2006 Bonds proceeds expended on such component of the Project, the Institution shall cause the Trustee to effect a redemption of Series 2006 Bonds in a principal amount equal to such excess only to the extent to which proceeds of the Series 2006 Bonds were expended for such component.

(ii) If, after completion of the construction of a component of the Project, the Institution receives any gift or grant which prior to such completion it reasonably expected to receive and which is required by the terms thereof to be used to pay any item which is a cost of such component of the Project, and if proceeds of the Series 2006 Bonds (x) have been expended on such component of the Project more than eighteen (18) months prior to the earlier of the date on which Series 2006 Bond proceeds were expended thereon or the placed in service date of such component, or (y) (1) have been expended on such component of the Project not more than eighteen (18) months prior to the earlier of the date on which Series 2006 Bond proceeds were expended thereon or the placed in service date of such component and (2) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Series 2006 Bonds

proceeds expended on such component of the Project, the Institution shall, to the extent not inconsistent with the terms of such gift or grant, cause the Trustee to effect a redemption of the Series 2006 Bonds in a principal amount equal to such gift or grant, but only to the extent to which proceeds of Series 2006 Bonds were expended for such component.

The Institution shall, prior to directing the redemption of any Bonds in accordance with this Section 6.13(d), consult with Bond Counsel for advice as to a manner of selection of Bonds for redemption that will not affect the exclusion of interest on any Bonds then Outstanding from gross income for federal income tax purposes.

Section 6.14. 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 Agency, the Series 2006 Bond Insurer or the Trustee deems reasonably necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of this Agreement and any rights of the Agency, the Series 2006 Bond Insurer or the Trustee hereunder, under the Indenture or under any other Security Document.

Section 6.15. Recording and Filing. (a) The Agency shall cause this Agreement, as originally executed, to be recorded (at the sole cost and expense of the Institution) subsequent to the recordation of the Agency Mortgage, the Indenture and the Company Lease, in the appropriate offices of the Register of The City of New York, or in such other offices as may at the time be provided by law as the proper place for the recordation thereof. In addition, the security interest granted by the Agency to the Trustee pursuant to the Indenture, and by the Institution and the Agency to the Trustee pursuant to the Agency Mortgage, in (i) the personal property and fixtures described herein and therein, and (ii) the rights and other intangible interests described therein, shall be perfected by the filing of financing statements at the direction of the Agency (at the sole cost and expense of the Institution) in the office of the Secretary of State of the State in the City of Albany, New York, and in the offices of such Register of The City of New York, which financing statements shall be in accordance with the New York State Uniform Commercial Code-Secured Transactions.

(b) The Agency and the Institution acknowledge that, as of the Closing Date,

(1) Section 9-515(b) of the New York State Uniform Commercial Code-Secured Transactions provides that an initial financing statement filed in connection with a "public-financed transaction" is effective for a period of 30 years after the date of filing if such initial financing statement indicates that it is filed in connection with a public financed transaction,

(2) Section 9-102(67) of the New York State Uniform Commercial Code-Secured Transactions defines a public-finance transaction as a secured transaction in connection with which, in substance, (x) bonds are issued, (y) all or a portion of the bonds have an initial stated maturity of at least 20 years, and (z) the debtor, obligor, secured party or assignee with respect to the collateral or secured obligation is a governmental unit of a state, and

(3) subject to any future change in law, the initial financing statement as shall be filed with respect to the security interest described above shall 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.

The parties hereto acknowledge and agree that, because the foregoing financing statements evidence collateral for the Bonds, and because the Series 2006 Bonds are municipal securities with a term that is greater than 20 years in duration, there is no need under the Uniform Commercial Code of the State of New York to re-file such financing statement in order to preserve the liens and security interests that they create, for the period commencing with the Closing Date and terminating on the thirtieth anniversary of the Closing Date.

(c) Subsequent to the foregoing recordation and filings, if in the Opinion of Counsel to the Institution (described hereinbelow), to preserve (after the thirtieth (30th) anniversary of the Closing Date) the lien and security interest of the Indenture and of the Agency Mortgage, it is necessary to re-record and/or re-index documents, re-file financing statements and/or file continuation statements and/or take any other actions (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) deliver or cause to be delivered to the Agency, the Series 2006 Bond Insurer and the Trustee the Opinion of Counsel to the Institution. The Trustee may conclusively rely upon (y) when applicable, the certification referred to in clause "(A)(ii)," and (z) in all instances, the Opinion of Counsel to the Institution. In the event the Institution chooses to have the Trustee perform all or some of the Continuation Actions, as provided in clause "(A)(i)" hereinabove, the Trustee shall reasonably promptly perform such Continuation Actions at the Institution's sole expense. The Institution shall perform the obligations described hereinabove in clauses "(A)" and "(B)" no later than ten (10) days prior to (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) each fifth (5th) anniversary thereafter, and/or (ii) the date (not covered by clause "(i)") on which a Continuation Action is to be taken to preserve the lien and security interest of the Indenture and the Agency Mortgage.

(d) The Opinion of Counsel to the Institution shall be addressed to the Institution, the Agency, the Series 2006 Bond Insurer and the Trustee. Counsel shall deliver successive Opinions of Counsel in respect of (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) every five-year period thereafter through the term of the 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 Agency 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 and of the Agency Mortgage are to be subjected to the lien and security interest of the Indenture and of the Agency Mortgage.

(e) Any filings with respect to Uniform Commercial Code financing statements may be made electronically and the Agency 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.

(f) The Institution acknowledges and agrees that neither the Agency nor the Trustee nor the Series 2006 Bond Insurer nor any of their respective directors, members, officers, employees, servants, agents, persons under its control or supervision or attorneys (including Bond Counsel to the Agency), 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.

(g) 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.

(h) The Institution agrees to perform all other acts (including the payment of all fees and expenses) necessary in order to enable the Agency and the Trustee to comply with this Section, with Section 10 of the Agency Mortgage and with Section 8.08 of the Indenture, including but not limited to, providing prompt notice to the Trustee of any change in the Institution's name or address. The Institution agrees that the Agency and the Trustee, if permitted by applicable law, may provide for the re-recording of the Indenture, the Agency Mortgage or any other Security Document or the filing or re-filing of continuation statements without the cooperation of the Institution as necessary at the Institution's sole cost and expense.

Section 6.16. Right to Cure Agency Defaults. The Agency hereby grants the Institution full authority for account of the Agency 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 Agency, with full power of substitution.

Section 6.17. Preservation of Exempt Status. (a) The Institution represents and warrants that as of the Closing Date: (i) it is an organization described in Section 501(c)(3) of the Code; (ii) it has received a ruling letter or determination from the Internal Revenue Service to that effect; (iii) such letter or determination has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of such letter or determination; (v) the facts and circumstances which form the basis of such letter or determination continue substantially to exist as represented to the Internal Revenue

Service; (vi) it is not a “private foundation”, as defined in Section 509 of the Code; and (vii) it is exempt from Federal income taxes under Section 501(a) of the Code and it is in compliance with the provisions of said Code and any applicable regulations thereunder necessary to maintain such status.

(b) The Institution agrees that (i) it shall not perform any acts, enter into any agreements, carry on or permit to be carried on at any of the Facilities, or permit any of the Facilities to be used in or for any trade or business, which shall adversely affect the basis for its exemption under Section 501 of such Code; (ii) it shall not use more than three percent (3%) of the proceeds of the Bonds or permit the same to be used, directly or indirectly, in any trade or business that constitutes an unrelated trade or business as defined in Section 513(a) of the Code or in any trade or business carried on by any person or persons who are not governmental units or Section 501(c)(3) organizations; (iii) the Facilities conform to the description thereof contained in the Appendices hereto and it shall not directly or indirectly use the proceeds of the Bonds to make or finance loans to persons other than governmental units or Section 501(c)(3) organizations; (iv) it shall 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 Bonds to be “arbitrage bonds” under the Code or cause the interest paid by the Agency on the Bonds to be subject to Federal income tax in the hands of the Holders thereof; and (v) it shall use its best efforts to maintain the tax-exempt status of the Bonds.

(c) The covenants and agreements of the Institution set forth in this Section 6.17 shall apply to each of the Facilities, notwithstanding the release of any of the Facilities from this Agreement, until the Series 2006 Bonds shall cease to be Outstanding, except to the extent any such covenant or agreement need not, in the opinion of Bond Counsel, continue to so apply in order to maintain the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

Section 6.18. Securities Law Status. The Institution affirmatively represents, warrants and covenants that, as of the Closing Date, the Facilities shall be operated (i) exclusively for civic or charitable purposes and (ii) not for pecuniary profit, all within the meaning, respectively, of the Securities Act of 1933, as amended, and of the Securities Exchange Act of 1934, as amended. The Institution further affirmatively represents, warrants and covenants that, as of the Closing Date, 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 of 1933, as amended, and of the Securities Exchange Act of 1934, as amended. The Institution agrees that it shall not perform any act nor enter into any agreement which shall change such status as set forth in this Section.

Section 6.19. Current Facility Personalty Description. The Institution covenants and agrees that throughout the term of this Agreement, including upon the completion of any replacement, repair, restoration or reconstruction of any of the Facilities pursuant to Section 5.1 hereof, it will cause (i) the Description of Facility Personalty attached as part of the Appendices to this Agreement, the Indenture and the Company Lease to be an accurate and complete description of all current items of the Facility Personalty, and (ii) the Description of the Mortgaged Facility Personalty attached as part of the Appendices to the Agency Mortgage to be an accurate and complete description of all current items of the Mortgaged Facility Personalty.

To this end, the Institution covenants and agrees that no requisition shall be submitted to the Trustee for moneys from the Project Fund for the acquisition or installation of any item of the Facility Personalty, that no item of the Facility Personalty shall be substituted or replaced by a new item of personalty pursuant to Section 4.2(a), 5.1 or 6.4 hereof, and that no item of the Facility Personalty shall be delivered and installed at the Facility Realty as part of such Facility, unless in each case such item of personalty shall be accurately and sufficiently described in the Description of Facility Personalty in the Appendices attached as part of this Agreement, the Indenture and the Company Lease, and in the Description of Mortgaged Facility Personalty in the Appendices attached as part of the Agency Mortgage, and the Institution shall from time to time prepare and deliver to the Agency, the Series 2006 Bond Insurer and the Trustee supplements to such Appendices in compliance with the foregoing. Such supplements shall be executed and delivered by the appropriate parties and, at the Agency's or the Institution's request, duly recorded by the Institution, and, at the Agency's request, additional financing statements with respect thereto shall be duly filed by the Institution.

Section 6.20. Enforcement of Rights Under the Sisters of Charity Lease Against the Sisters of Charity. The Institution covenants and agrees that to the extent that the Sisters of Charity is obligated to the Institution under the Sisters of Charity Lease to comply with all Legal Requirements (the foregoing covenants of the Sisters of Charity being, collectively, the "Sisters of Charity Covenants"), the Institution shall not amend, waive or modify, or permit the amendment, waiver or modification of, any of the Sisters of Charity Covenants without the prior written consent of the Agency and the Trustee, and upon the direction of the Agency, the Institution shall promptly exercise good faith diligent efforts to enforce the applicable Sisters of Charity Covenants against the Sisters of Charity.

Section 6.21. Covenants with Respect to the Sisters of Charity Lease. (a) The Institution covenants and agrees that it shall not enter into an amendment, supplement or modification to the Sisters of Charity Lease that would materially adversely affect the interests of the Agency or the Trustee. Promptly following the execution of any amendment, supplement or modification to the Sisters of Charity Lease, the Institution shall furnish copies thereof to the Agency, the Series 2006 Bond Insurer and the Trustee.

(b) The Institution agrees to observe and comply with all of its payments and all of its material obligations, covenants and agreements set forth in the Sisters of Charity Lease and further agrees to promptly transmit to the Agency, the Series 2006 Bond Insurer and the Trustee copies of any termination or default notice it shall receive from, or deliver to, the Sisters of Charity under the Sisters of Charity Lease.

Section 6.22. Additional Debt. (a) Additional Bonds or other indebtedness ranking on a parity in the Pledged Collateral with the Series 2006 Bonds ("Parity Debt") may be issued by the Agency or incurred by the Institution without the consent of the Series 2006 Bond Insurer if the Institution can demonstrate that, for the two most recent Fiscal Years of the Institution for which an audit is available, it had Net Revenues Available for Debt Service (as defined in Section 6.23 hereof) at least equal to the ratio of 1.25x maximum annual debt service on the Series 2006 Bonds, any Parity Debt then outstanding and the proposed Parity Debt to be issued.

(b) All additional Parity Debt shall have the same principal payment dates as the Series 2006 Bonds. All additional Parity Debt issued with a fixed interest rate shall have the same interest payment dates as the Series 2006 Bonds issued with, or converted to, a fixed rate of interest.

(c) Refunding Bonds issued under Section 2.21 of the Indenture which do not defease all of the Series 2006 Bonds may be issued without the consent of the Series 2006 Bond Insurer, provided there is no increase in maximum annual debt service of the Institution.

(d) Short-term indebtedness of the Institution (i.e., any debt that is not long-term indebtedness having an original maturity greater than one year) may be incurred if (i) such short-term indebtedness is incurred in the ordinary course of business of the Institution in an aggregate principal amount not to exceed 10% of Unrestricted Revenues (as defined in Section 6.23 hereof) for the prior Fiscal Year of the Institution, and (ii) all such short-term indebtedness is reduced to zero for a period of seven (7) consecutive days.

(e) Variable rate indebtedness (i.e., indebtedness which does not bear a fixed rate of interest to maturity) may be incurred by the Institution with the prior written consent of the Series 2006 Bond Insurer, and if the above conditions for incurrence of Parity Debt are met and if such indebtedness is assumed to bear interest at 120% of the average interest rate on the Institution's variable rate indebtedness outstanding for the most recent twenty-four (24) month period; provided, however, that (i) if such indebtedness has been outstanding for less than twenty-four (24) months but for at least twelve (12) months, then the interest rate shall be assumed to be 120% of the average rate for the most recent twelve (12) months or the interest rate in effect on the date of calculation, whichever is higher, and (ii) if such indebtedness has been outstanding for less than twelve (12) months, then the interest rate shall be assumed to be 120% of (y) the Bond Market Association Municipal Swap Index for tax-exempt debt, and (z) LIBOR for taxable debt.

(f) Balloon indebtedness (i.e., indebtedness of which 25% or more of the principal amount comes or may come due in any one Fiscal Year of the Institution by maturity, mandatory sinking fund redemption or optional or mandatory tender by the holder thereof) may be incurred by the Institution with the prior written consent of the Series 2006 Bond Insurer, and if the above conditions for the incurrence of Parity Debt are satisfied, assuming that such balloon indebtedness is amortized on a level debt service basis over a period of twenty (20) years or the actual remaining term to maturity, whichever is less (alternatively, such balloon indebtedness may be assumed to mature in accordance with the terms of a binding commitment to pay the debt upon maturity from a financial institution rated "Aa" from Moody's or "AA" from S & P).

(g) The Institution may enter into an Interest Rate Agreement (as defined below) with the prior written consent of the Series 2006 Bond Insurer. "Interest Rate Agreement" means an agreement, commonly known as an "interest rate swap", pursuant to which the Institution agrees with a third party to pay such party's interest on a mutually agreed upon principal amount in exchange for such party's agreement to pay the Institution interest on such amount, all at such interest rates and over such periods of time as may be mutually agreed upon; provided, however, that no such agreement shall entail any exchange of principal or any

assumption of liability for the payment of the principal of or interest on any particular indebtedness of the Institution or such third party, as the case may be.

(h) Any certifications requiring computations establishing that historical debt service coverage is sufficient to authorize to support the issuance of Parity Debt or that requisite debt service savings are available to support the issuance of refunding bonds shall, in all cases, be evidenced by a certificate of an independent certified public accountant or firm of independent certified public accountants delivered to the Trustee and the Series 2006 Bond Insurer.

(i) No Additional Bonds, notes, certificates, contracts or any other obligations for borrowed money shall be issued or incurred by the Institution if an Event of Default shall have occurred and be continuing with respect to the Series 2006 Bonds.

Section 6.23. Rate and Liquidity Covenants. (a) The Institution covenants to charge and maintain tuition, fees and other charges sufficient to provide Net Revenues Available for Debt Service at least equal to 1.10x annual debt service on the Series 2006 Bonds and all Parity Debt. "Net Revenues Available for Debt Service" means the increase in Unrestricted Net Assets from Operations, exclusive of Net Unrealized Gain (or Loss) on Investments, plus Depreciation and Interest, as each such capitalized term is defined below.

In the event the Net Revenues Available for Debt Service, calculated at the end of any Fiscal Year of the Institution, is less than 1.10, the Institution shall, within thirty (30) days following such calculation, deliver prompt written notice thereof to the Trustee and the Series 2006 Bond Insurer and retain a Management Consultant (i.e., a nationally recognized accounting or management firm or other similar firm, experienced in reviewing and assessing educational institutions, who is appointed by the Institution and reasonably acceptable to the Series 2006 Bond Insurer) to make written recommendations with respect to the operations of the Institution to increase the Net Revenues Available for Debt Service for the then current and the following Fiscal Years of the Institution to at least 1.10. A copy of the written recommendations of the Management Consultant shall be filed with the Trustee and the Series 2006 Bond Insurer within thirty (30) days after such Management Consultant is retained unless the Trustee extends, by prior written consent of the Series 2006 Bond Insurer, the time within which such written recommendations must be so filed.

The Institution agrees that it will, to the extent permitted by applicable Legal Requirements, revise its tuition, fees, and charges, its methods of operation or collections and shall take such other action as shall be in conformity with such recommendations. The Institution shall deliver to the Trustee and the Series 2006 Bond Insurer:

(i) within thirty (30) days of receipt of such recommendations (y) a report setting forth in reasonable detail the steps the Institution proposes to take to implement such recommendations, and (z) a certified copy of a resolution adopted by the Board of Trustees of the Institution accepting the recommendations of the Management Consultant, and

(ii) quarterly reports demonstrating the progress made by the Institution in implementing the recommendations of the Management Consultant.

If the Institution complies in all material respects with the recommendations of the Management Consultant, the Institution will be deemed to have complied with the covenants contained in this Section 6.23(a) for such Fiscal Year of the Institution, notwithstanding that the Net Revenues Available for Debt Service shall be less than 1.10, provided, however, that the Institution will not be deemed to have complied with the covenant contained in this Section 6.23(a), and it shall be an Event of Default as provided in Section 7.1(e) hereof, for any Fiscal Year of the Institution if the Net Revenues Available for Debt Service is less than 1.00.

(b) The Institution shall maintain on a semi-annual basis expendable cash and Investments on each Liquidity Test Date in an amount equal to or greater than \$5,000,000. Failure to comply with this liquidity covenant shall not constitute an Event of Default provided that the Institution is in compliance with the covenant by the next Liquidity Test Date. "Liquidity Test Date" means March 1 and September 1 of each Fiscal Year of the Institution, commencing on September 1, 2007.

(c) Below are definitions of certain terms used in Section 6.22 and this Section:

"Depreciation" means the per annum write-off cost of an asset, such as a building, which is assigned an estimated life according to generally accepted accounting principles.

"Interest" means the cost associated with borrowing as shown on the audited financial statements of the Institution under the heading "Statement of Cash Flow" or "Statement of Activities".

"Investments" means equities, bonds and other financial instruments or fungible holdings (e.g., real estate) which are held by the Institution and are recorded under "Assets" as shown on the Institution's audited financial statements under the heading "Balance Sheet".

"Unrealized Gains and Losses on Investments" means the difference in the market value of Investments from one year to the next as a result of "paper gains or losses".

"Unrestricted Expenses" means all unrestricted expenses as shown on the audited financial statements of the Institution under the heading "Statement of Activities".

"Unrestricted Revenues" means, for any Fiscal Year of the Institution, all unrestricted revenues as shown under the heading "Statement of Activities" in the Institution's audited financial statements for such Fiscal Year.

"Unrestricted Net Assets from Operations" means the difference between Unrestricted Revenues, gain, and other support minus Unrestricted Expenses, factoring out Unrealized Gains and Losses on Investments.

Section 6.24. Auction Rate Securities. (a) The Series 2006B Bonds may bear interest at a variable rate (periodic auction process without mandatory or optional tender) subject

to a maximum interest rate of twelve percent (12%) per annum. The prior written consent of the Series 2006 Bond Insurer shall be required for any mode change in the manner in which the Series 2006B Bonds bear interest or may otherwise become payable. The use of any Liquidity Facility with respect to the Series 2006 Bonds shall be subject to the prior written consent of the Series 2006 Bond Insurer. The Series 2006 Bond Insurer shall not be responsible for any payments in respect of a failed auction. The Institution shall schedule the amortization of all its collective indebtedness to provide for overall level debt service payments.

(b) The Institution shall provide on the Closing Date, a fee paid interest rate cap (“Interest Rate Cap”) for a five-year period with respect to the aggregate principal amount Outstanding of Series 2006 Bonds and in a variable rate mode (the “Variable Rate Bonds”), in form and substance satisfactory to the Series 2006 Bond Insurer, from a provider acceptable to the Series 2006 Bond Insurer and in conformance with the requirements provided below.

(c) In the event the Institution fails to meet the liquidity requirement set forth in Section 6.23 hereof, or if the Interest Rate Cap referred to in Section 6.24(b) is terminated, the Institution shall be required to (i) convert the Variable Rate Bonds to Fixed Rate Series 2006B Bonds with the prior written consent of the Series 2006 Bond Insurer, (ii) provide a basis swap (the “Swap”) with respect to the aggregate principal amount Outstanding of Variable Rate Bonds, (iii) provide an Interest Rate Agreement or (iv) provide, on an annual basis, a fee paid Interest Rate Cap with respect to the aggregate principal amount Outstanding of Variable Rate Bonds, in each case, in form and substance satisfactory to the Series 2006 Bond Insurer, from a provider acceptable to the Series 2006 Bond Insurer and in conformance with the requirements below; provided, however, that the Institution shall not be required to hedge the Variable Rate Bonds so long as the Institution’s Unrestricted cash and Investments are equal to or greater than the amount of the Variable Rate Bonds Outstanding.

(i) The Interest Rate Cap, if selected, shall meet the following minimum criteria and shall otherwise contain such other provisions as are acceptable to the Series 2006 Bond Insurer:

(1) the Interest Rate Cap provider (the “Cap Provider”) shall be rated at least “AA-” by S&P or “Aa3” by Moody’s, and each provider shall also have the highest short term rating of either S&P or Moody’s;

(2) in the event of either (i) a withdrawal of ratings; or (ii) a downgrade of the Cap Provider to below “A”/“A2” by two of S&P, Moody’s and Fitch, or below the highest short term rating of either S&P or Moody’s, the Interest Rate Cap shall be terminable by the Institution (with the consent of or at the direction of the Series 2006 Bond Insurer) and the Cap Provider shall be liable to the Institution for a termination payment at least equal to an amount that will permit the Institution to purchase a qualifying Interest Rate Cap in the then prevailing market. Other termination events, events of default and remedies shall be acceptable to the Series 2006 Bond Insurer;

(3) the Interest Rate Cap shall not be assignable without the prior written consent of the Series 2006 Bond Insurer; and

(4) the Interest Rate Cap strike rate shall be acceptable to the Series 2006 Bond Insurer.

(ii) The Swap, if selected, shall meet the following minimum criteria and shall otherwise contain such other provisions as are acceptable to the Series 2006 Bond Insurer:

(1) The Swap provider (the "Swap Provider") shall be rated at least "AA-"/"Aa3" or better by two of S&P, Moody's and Fitch at the time the transaction is entered into and be required to post collateral in the amounts set forth below within fifteen (15) days after it is downgraded below "A"/"A2" by two of S&P, Moody's and Fitch.

Moody's	S&P/Fitch	Threshold	Minimum Transfer Amount
A3	A-	USD 15,000,000	USD 500,000
Baal	BBB+	USD 10,000,000	USD 500,000
Baa2	BBB	USD 5,000,000	USD 500,000
Baa3 and below or unrated (if previously rated) by Moody's	BBB- and below or unrated (if previously rated) by S&P/Fitch	Zero	USD 100,000

Collateral must be in the form of U.S. government obligations with a fair market value in excess of the Institution's replacement cost of the Swap. Both the Swap and the collateral shall be marked-to-market on a weekly basis. An independent trustee or custodian shall hold the collateral. In the event of a default by the Swap Provider, the Institution would be able to use the collateral to offset its swap position. The table below highlights the value of collateral required to be posted by the Swap Provider.

Value of Beneficiary's Collateral as a Percentage
of the Cost to Principal of Replacing the Swap

Cash	100%
U.S. Treasury obligations (maturity < 2 years)	102%
U.S. Treasury obligations (2 years maturity to 10 years)	103%
U.S. Treasury obligations (maturity > 10 years)	104%

The collateral will be pledged to the Institution and will be used upon the termination of the Swap, with the consent of the Series 2006 Bond Insurer, to acquire a new swap agreement from a counterparty under terms and conditions identical to the Swap or to make payments on the Variable Rate Bonds. The failure to post collateral shall be an event of default under the Swap.

(d) In the event of either (y) a withdrawal or suspension for more than thirty (30) days of the ratings of the Swap Provider; or (z) a reduction to "Baa3," in the case of Moody's, or "BBB-," in the case of S&P or Fitch, of the rating of the long-term unsecured, unenhanced, senior debt of the Swap Provider shall be an "Additional Termination Event" under

the Swap, the Swap shall be terminable by the Institution (with the consent of or at the direction of the Series 2006 Bond Insurer), and either the Institution or the Swap Provider may be liable to the Swap Provider or the Institution, respectively, for a termination amount.

(e) The Swap shall not be assignable without the prior written consent of the Series 2006 Bond Insurer; provided, however, that the Swap Provider may make such an assignment to an Affiliate (as such term is defined in the Swap Agreement) of the Swap Provider without the prior written consent of the Series 2006 Bond Insurer, if the Credit Support Provider (as such term is defined in the Swap Agreement) of the Swap Provider provides the same credit support to such assignee as was provided to the Swap Provider in connection with the Swap.

(f) The maximum settlement amount payable at any time by the Institution to the Swap Provider pursuant to the terms of the Swap shall be limited to an amount, which, if paid, would not cause the Institution to violate the liquidity covenant set forth in Section 6.23(b) hereof. All settlement amounts payable under the Swap shall be subordinate to the payment of Parity Debt.

Section 6.25. Default Rate of Series 2006 Bond Insurer. Amounts paid by the Series 2006 Bond Insurer in respect of the principal and/or interest on the Series 2006 Bonds shall bear interest as an obligation of the Institution to the Series 2006 Bond Insurer until repaid by the Institution to the Series 2006 Bond Insurer at a per annum rate of interest equal to the rate from time to time announced by The Bank of New York, as Insurance Trustee, as its base lending rate plus three percent (3%).

ARTICLE VII

Events of Default; Remedies

Section 7.1. 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 installment purchase payment that has become due and payable by the terms of Section 3.3(a) hereof which results in a default in the due and punctual payment of the principal of, Sinking Fund Installments for, redemption premium, if any, or interest on any Bond;

(b) Failure of the Institution to pay any amount required of it under Section 3.3(b) hereof;

(c) Failure of the Institution to pay any amount required of it under Section 3.7 hereof;

(d) The occurrence and continuance of an "event of default" under a Swap; *provided, however*, that for so long as no Series 2006 Bond Insurer Disqualification Event shall exist, no Event of Default under this paragraph shall be deemed to occur without the prior written consent of the Series 2006 Bond Insurer;

(e) Failure of the Institution to have, for any Fiscal Year of the Institution, Net Revenues Available for Debt Service of less than 1.00; *provided, however*, that, for so long as no Bond Insurer Disqualification Event shall exist, no Event of Default under this paragraph shall be deemed to occur without the prior written consent of the Series 2006 Bond Insurer;

(f) Failure of the Institution to pay any amount (except the obligation to pay installment purchase payments under Sections 3.3 or 3.7 hereof) that has become due and payable or to observe and perform any covenant, condition or agreement on its part to be performed under Sections 4.4, 4.5, 6.22, 6.23 or 6.24 hereof, and continuance of any such failure for a period of thirty (30) days after receipt by the Institution of written notice specifying the nature of such default from the Agency, the Series 2006 Bond Insurer, the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding; *provided, however*, that, except with respect to the Agency as to the Agency's Reserved Rights, for so long as no Bond Insurer Disqualification Event shall exist, no Event of Default under this paragraph shall be deemed to occur without the prior written consent of the Series 2006 Bond Insurer;

(g) 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 7.1(a), (b), (c), (d), (e), (f), (i), (j) or (k) hereof) and (1) continuance of such failure for a period of thirty (30) days after receipt by the Institution of written notice specifying the nature of such default from the Agency, the Series 2006 Bond Insurer, the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (2) if by reason of the nature of such default the same can be remedied, but not within the said thirty (30) days, the

Institution fails to proceed with reasonable diligence after receipt of said notice to cure the same; *provided, however*, that for so long as no Bond Insurer Disqualification Event shall exist, no Event of Default under this paragraph shall be deemed to occur without the prior written consent of the Series 2006 Bond Insurer;

(h) 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) take any action for the purpose of effecting any of the foregoing, or (vii) be adjudicated a bankrupt or insolvent by any court; *provided, however*, that for so long as no Bond Insurer Disqualification Event shall exist, no Event of Default under this paragraph shall be deemed to occur without the prior written consent of the Series 2006 Bond Insurer;

(i) 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, (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 against the Institution shall be entered and continue unstayed and in effect, for a period of sixty (60) days, or (iv) 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 6.1 hereof; *provided, however*, that for so long as no Bond Insurer Disqualification Event shall exist, no Event of Default under this paragraph shall be deemed to occur without the prior written consent of the Series 2006 Bond Insurer;

(j) Any representation or warranty made by or on behalf of the Institution (i) in the application, commitment letter and related materials submitted to the Agency, the Series 2006 Bond Insurer or the Underwriter of the Series 2006 Bonds for approval of the Project, or (ii) herein or in any of the other Security Documents, or (iii) in the Letter of Representation and Indemnity Agreement delivered to the Agency, the Trustee, the Series 2006 Bond Insurer and the Underwriter for the Series 2006 Bonds, or (iv) in the Tax Regulatory Agreement, or (v) 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;

(k) The foreclosure of any mortgage lien on any of the Facilities; *provided, however*, that for so long as no Series 2006 Bond Insurer Disqualification Event shall exist, no Event of Default under this paragraph shall be deemed to occur without the prior written consent of the Series 2006 Bond Insurer; or

(l) An "Event of Default" under the Indenture or under any other Security Document shall occur and be continuing.

Section 7.2. Remedies on Default. Whenever any Event of Default referred to in Section 7.1 hereof shall have occurred and be continuing, the Agency, or the Trustee or the Series 2006 Bond Insurer where so provided, may, take any one or more of the following remedial steps:

(a) The Trustee, as and to the extent provided in Article IX of the Indenture, may cause all principal installments of installment purchase payments payable under Section 3.3 hereof for the remainder of the term of this Agreement 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 7.1(h) or (i) hereof, all principal installments of installment purchase payments payable under Section 3.3 hereof for the remainder of the term of this Agreement, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of the Agency, the Trustee, the Series 2006 Bond Insurer, the Holders of the Bonds or any other Person being a condition to such acceleration;

(b) Each of the Agency, the Series 2006 Bond Insurer and the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the installment purchase 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;

(c) The Trustee may take any action permitted under the Indenture with respect to an Event of Default thereunder; and

(d) The Agency, without the consent of the Trustee, the Series 2006 Bond Insurer, any Bondholder or any Person, may proceed to enforce the Agency'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 payments of amounts due by the Institution under the Agency's Reserved Rights or to enforce the performance or observance of any obligations, covenants or agreements of the Institution under the Agency's Reserved Rights, and/or (iii) terminating the Company Lease and this Agreement and conveying all of the Agency's right, title and interest, if any, in the Facilities to the Institution, which upon such enforcement by the Agency of the Agency's Reserved Rights, the Institution hereby irrevocably agrees to accept. The Institution hereby appoints the Agency as its agent and attorney-in-fact to execute, deliver and record on behalf of the Institution any documents and instruments which may be necessary to effectuate such termination of the Company Lease and this Agreement as described in clause (iii) immediately preceding; and such documents and instruments shall include, but not be limited to, real property transfer tax forms and affidavits. The Institution agrees that the agency and power of attorney that it has granted in the preceding sentence shall be deemed irrevocable for the purposes described and that same shall be coupled with an interest.

In the event that the Institution fails to make any installment purchase payment required in Section 3.3 or 3.7 hereof, the installment so in default shall continue as an obligation of the Institution until the amount in default shall have been fully paid.

No action taken pursuant to this Section 7.2 (including termination of this Agreement pursuant to this Section 7.2 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.

The Institution and the Agency hereby acknowledge that, pursuant to Sections 8.10, 9.12 and 9.13 of the Indenture, the Series 2006 Bond Insurer has the right to direct the remedial action undertaken by the Trustee and that the Trustee, in enforcing its rights pursuant to this Section, may be acting at the direction of the Series 2006 Bond Insurer.

Section 7.3. Remedies Cumulative. The rights and remedies of the Agency, the Trustee or the Series 2006 Bond Insurer under this Agreement shall be cumulative and shall not exclude any other rights and remedies of the Agency, the Trustee or the Series 2006 Bond Insurer allowed by law with respect to any default under this Agreement. Failure by the Agency, the Trustee or the Series 2006 Bond Insurer 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 a 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 7.4. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Agency and/or the Trustee and/or the Series 2006 Bond Insurer and the Institution or any delay or omission on the part of the Agency and/or the Trustee and/or the Series 2006 Bond Insurer in exercising any rights hereunder or under the Indenture or under any other Security Document shall operate as a waiver.

Section 7.5. Effect on Discontinuance of Proceedings. In case any proceeding taken by the Trustee or the Series 2006 Bond Insurer under the Indenture or this Agreement or under any other Security Document on account of any Event of Default hereunder or under the Indenture shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Series 2006 Bond Insurer, then, and in every such case, the Agency, the Trustee, the Series 2006 Bond Insurer 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 Trustee and the Series 2006 Bond Insurer shall continue as in effect prior to the commencement of such proceedings.

Section 7.6. Agreement to Pay Attorneys' Fees and Expenses. In the event the Agency, the Trustee or the Series 2006 Bond Insurer should employ attorneys or incur other expenses for the collection of installment purchase 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 on and during the occurrence of an Event of Default, it will on demand therefor pay to the Agency, the Trustee or the Series 2006 Bond Insurer the fees and disbursements of such attorneys and such other expenses so incurred during the occurrence of such Event of Default.

ARTICLE VIII

Options

Section 8.1. Options. (a) The Institution has the option to effect the retirement of the Bonds in whole or the redemption in whole or in part of the Bonds, all in accordance with the terms of the Indenture; provided, however, that no partial redemption of the Bonds may be effected through advance installment purchase payments hereunder if there shall exist and be continuing an Event of Default. The Institution shall exercise such option by delivering a written notice of an Authorized Representative of the Institution to the Trustee in accordance with the Indenture, with a copy to the Agency and the Series 2006 Bond Insurer, setting forth (i) the principal amount of Bonds Outstanding requested to be redeemed (which principal amount shall be in such minimum amount or integral multiple of such amount as shall be permitted in the Indenture), and (ii) the date on which such principal amount of Bonds are to be redeemed. Such advance installment purchase payment shall be paid to the Trustee in legal tender on or before the redemption date and shall be an amount which, when added to the amounts on deposit in the Bond Fund and available therefor (and in the Project Fund and in the Debt Service Reserve Fund in the event of any redemption in whole), will be sufficient to pay the Redemption Price of the Bonds to be redeemed, together with interest to accrue to the date of redemption, and for the Institution to pay all expenses of any Notice Party in connection with such redemption. In the event the Bonds are to be redeemed in whole or otherwise retired, the Institution shall further pay on or before such redemption date, in legal tender, to the applicable Notice Parties, all fees and expenses owed such party or any other party entitled thereto under this Agreement or any other Security Document together with (i) all other amounts due and payable under this Agreement and the other Security Documents, and (ii) any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement.

(b) The Institution shall have the option to terminate this Agreement by causing the redemption, purchase or defeasance in whole of all Outstanding Bonds in accordance with the terms set forth in the Indenture.

(c) As a condition precedent to the termination of this Agreement, pursuant to Section 8.1(b) hereof, the Institution shall pay or cause to be paid to the Trustee, in legal tender, advance installment purchase payments (if payment in full of the principal of or the Redemption Price, if any, as the case may be, of, and interest on, all the Outstanding Bonds, and the interest thereon at maturity or upon earlier redemption has not yet been made) equal to the sum of the following:

(1) an amount which, when added to the amount on deposit in the Bond Fund and in the Debt Service Reserve Fund and available therefor, will be sufficient to redeem, purchase or defease the Outstanding Bonds in accordance with the provisions of the Indenture, including, without limitation, the principal of or the Redemption Price (as the case may be) of, together with interest to maturity or redemption date (as the case may be) on, the Outstanding Bonds;

(2) expenses of redemption, the fees and expenses of the Notice Parties and all other amounts due and payable hereunder and under the other Security Documents;

(3) any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement; and

(4) one dollar.

(d) Upon the payment in full of the principal of and interest on the Outstanding Bonds (whether at maturity or earlier redemption) or termination of this Agreement, the Institution shall be required to exercise its option above-stated by (1) delivering to the Agency prior written notice of an Authorized Representative of the Institution no more than thirty (30) days after the payment in full of the Bonds of the exercise of such option to terminate this Agreement, which notice shall set forth a requested closing date which shall be not later than sixty (60) days after the payment in full of the Bonds, and (2) paying on such closing date to terminate this Agreement, an amount equal to the sum of one dollar, the fees and expenses of the Notice Parties and all other amounts due and payable under this Agreement and each other Security Document, together with any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement, and any amounts payable to the Series 2006 Bond Insurer under the Series 2006 Bond Insurance Policy. Upon the written request of the Institution, the Agency may approve the extension or waiver of any of the time periods set forth in this paragraph.

(e) The Institution shall not, at any time, assign or transfer its option to terminate this Agreement as contained in this Section 8.1 separate and apart from a permitted assignment of this Agreement pursuant to Section 9.3 hereof, without the prior written consent of the Agency, the Series 2006 Bond Insurer and the Trustee.

Section 8.2. Termination on Exercise of Option to Terminate. Upon termination of this Agreement in accordance with Section 8.1 hereof, the Agency will, upon payment of the consideration payable in accordance with Section 8.1(c) hereof, deliver or cause to be delivered, at the sole cost and expense of the Institution, to the Institution a termination of this Agreement in recordable form. Concurrently with the delivery of such termination, there shall be delivered by the Agency, at the sole cost and expense of the Institution, to the Trustee any instructions or other instruments required by Section 11.01 of the Indenture to defease and pay the Outstanding Bonds.

Section 8.3. Option to Purchase or Invite Tenders of Bonds. The Institution shall have the option, at any time during the term of this Agreement, to purchase Bonds for its own account, whether by direct negotiation, through a broker or dealer, or by making a tender offer to the Holders thereof. The Bonds so purchased by the Institution or by any Affiliate of the Institution shall be delivered to the Trustee for cancellation within fifteen (15) days of the date of purchase unless the Institution shall deliver to the Trustee, the Series 2006 Bond Insurer and the Agency an opinion of Bond Counsel to the effect that the failure to surrender such Bonds by such date will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes. The Agency shall at all times make available or cause to be made available to the Institution its registration books (maintained at the principal corporate trust office of the Trustee) containing the names and addresses of the Bondholders if known.

Section 8.4. Termination of Agreement. After full payment of the Bonds or provision for the payment in full thereof having been made in accordance with Section 11.01 of the Indenture, the Institution shall terminate this Agreement by paying the fees and expenses of the Notice Parties and all other amounts due and payable under this Agreement and the other Security Documents, together with any amounts required to be rebated by the Institution to the federal government pursuant to the Indenture or the Tax Regulatory Agreement, and by giving the Agency notice in writing of such termination and thereupon such termination shall forthwith become effective, subject, however, to the survival of the obligations of the Institution under Sections 6.2, 6.3, 6.25, 8.5 and 9.17 hereof. Notwithstanding any other provision of this Agreement to the contrary, upon the earlier of the full payment of the Bonds or provision for the payment in full thereof having been made in accordance with Section 11.01 of the Indenture, and upon receipt of forty-five (45) days prior written notice of the Agency requesting termination, the Institution shall terminate this Agreement by paying the fees and expenses of the Notice Parties and all other amounts due and payable under this Agreement and the other Security Documents, together with any amounts required to be rebated by the Institution to the federal government pursuant to the Indenture or the Tax Regulatory Agreement, and thereupon such termination shall forthwith become effective, subject, however, to the survival of the obligations of the Institution under Sections 6.2, 6.3, 6.25, 8.5 and 9.17 hereof. In the event the Institution does not terminate this Agreement within such 45 day period, then, commencing on the 46th day after transmittal of the notice requesting termination as above provided, the Institution shall, in addition to all other payment obligations due to the Agency hereunder, make payments to the Agency in the amount of \$500.00 per day until the Institution shall terminate this Agreement in accordance with the provisions hereof.

Section 8.5. Recapture of Agency Benefits. (a) It is understood and agreed by the parties to this Agreement that the Agency is issuing the Series 2006 Bonds to finance part of the costs of the Project and is entering into this Agreement in order to accomplish the public purposes of the Act. In consideration therefor, the Institution hereby agrees to pay the Agency, as a return of public benefits conferred by the Agency, the following amounts:

- (1) one hundred percent (100%) of the Benefits if the Recapture Event occurs within the first six (6) years after the Closing Date;
- (2) eighty percent (80%) of the Benefits if the Recapture Event occurs during the seventh (7th) year after the Closing Date;
- (3) sixty percent (60%) of the Benefits if the Recapture Event occurs during the eighth (8th) year after the Closing Date;
- (4) forty percent (40%) of the Benefits if the Recapture Event occurs during the ninth (9th) year after the Closing Date; and
- (5) twenty percent (20%) of the Benefits if the Recapture Event occurs during the tenth (10th) year after the Closing Date.

The term "Benefits" shall mean the benefit to the Institution arising from any exemption from mortgage recording tax derived from the Agency's participation in the financing or refinancing of the costs of the Project.

The term "Recapture Event" shall mean any of the following events:

(1) The Institution shall have liquidated its operations and/or assets or shall have ceased all or substantially all of its operations at any of the Facilities (whether by relocation to another facility or otherwise, or whether to another facility either within or outside of the City);

(2) The Institution shall have leased all or any portion of any of the Facilities in violation of the limitations imposed by Section 9.3 hereof, without the prior written consent of the Agency;

(3) The Institution shall have effected substantial changes in the scope and nature of the Institution's operations at any of the Facilities;

(4) The Institution shall have transferred all or substantially all of its employees to a location outside of the City; or

(5) The Institution shall have sold, leased, transferred or otherwise disposed of all or substantially all of its interest in any of the Facilities.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if (a) the Recapture Event shall have arisen as a direct immediate result of (i) a taking or condemnation by governmental authority of all or substantially all of any of the Facilities, or (ii) the inability at law of the Institution to rebuild, repair, restore or replace any of the Facilities 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 (b) the Institution shall have applied, or shall have irrevocably committed to apply, the proceeds of any disposition of any of the Facilities (net of the reasonable costs incurred by the Institution in connection with such disposition, including any commissions, taxes, filing and recording fees and legal and the professional fees and expenses in connection therewith) to finance a "civic facility" (as defined in the Act) in the City within eighteen months of such disposition of any of the Facilities.

(b) The Institution covenants and agrees to furnish the Agency with written notification upon any Recapture Event occurring within ten (10) years of the Closing Date, which notification shall set forth the terms thereof. The provisions of this Section 8.5 shall survive the termination of this Agreement for any reason whatsoever, notwithstanding any provision of this Agreement to the contrary.

(c) In the event any payment owing by the Institution under this Section 8.5 shall not be paid on demand by the Institution, such payment shall bear interest from the date of such demand at the then current interest rate imposed by the City's Department of Finance on delinquent payments until the Institution shall have paid such payment in full, together with such

accrued interest to the date of payment calculated in the same manner in the City's Department of Finance on delinquent payments, to the Agency.

(d) The Agency, in its sole discretion, may waive all or any portion of any payment owing by the Institution under this Section 8.5.

ARTICLE IX

Miscellaneous

Section 9.1. Indenture; Amendment. The Institution shall have and may exercise all the rights, powers and authority stated to be in the Institution in the Indenture and in the Bonds, and the Indenture and the Bonds shall not be modified, altered or amended in any manner which adversely affects such rights, powers and authority so stated to be in the Institution or otherwise adversely affects the Institution without the written consent of the Institution.

Section 9.2. 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 the obligations of the Institution to make the installment purchase payments or other payments required under the terms hereof, or to comply with Section 4.5 or 6.2 hereof), 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", as employed herein, 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, tornadoes, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrest, restraining of government and people, civil disturbances, explosions, partial or entire failure of utilities, shortages of labor, material, supplies or transportation, or any other similar or different cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of existing or impending strikes, lockouts or other industrial disturbances shall be entirely within the discretion of the party having the difficulty and that the above 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 fulfilled even though such existing or impending strikes, lockouts and other industrial disturbances may not be settled but could have been settled by acceding to the demands of the opposing person or persons.

Section 9.3. Assignment or Sublease. (a) The Institution may not at any time assign or transfer this Agreement, or sublet all or substantially all of any Facility, without the prior written consent of the Agency, the Series 2006 Bond Insurer and the Trustee (which consents may be withheld by the Agency, the Series 2006 Bond Insurer or the Trustee in their absolute discretion); nor shall the Institution sublet part of any Facility without the prior written consent of the Agency, the Series 2006 Bond Insurer and the Trustee (which consents shall, in such case, not be unreasonably withheld); provided further, that (y) no such consent shall be required in the case of an assignment or transfer of this Agreement effected by reason of a transaction permitted under Section 6.1 hereof, and (z) if the Agency, the Series 2006 Bond Insurer and the Trustee consent to any such assignment, transfer or subletting, (1) the Institution shall nevertheless remain liable to the Agency for the payment of all installment purchase 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, (2) any assignee or transferee of the Institution or sublessee in whole of all of the Facilities shall have assumed in writing 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, (3) in the Opinion of Counsel, such assignment, transfer or sublease shall not legally impair in any respect the obligations of the Institution for the payment of all installment purchase payments nor for the full performance of all of the terms, covenants and conditions of this Agreement 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 obligor under any other Project Document, (4) any assignee, transferee or sublessee shall utilize such Facility as a qualified "project" and as civic facilities within the meaning of the Act, (5) any assignee, transferee or sublessee shall be a Tax-Exempt Organization (or, if not a Tax-Exempt Organization, the Institution shall deliver to the Agency, the Trustee and the Series 2006 Bond Insurer an opinion of Bond Counsel to the effect that such assignment, transfer or sublease shall not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes) and shall utilize such Facility as a qualified "project" within the meaning of the Act, (6) with respect to any subletting in part of a Facility, the term of each such sublease does not exceed five (5) years and at any given date and no more than an aggregate of twenty percent (20%) of such space would be subleased, (7) such assignment, transfer or sublease shall not violate any provision of this Agreement, the Indenture, or any other Project Document, (8) such assignment, transfer or sublease shall in no way diminish or impair the Institution's obligation to carry the insurance required under Section 4.5 of this Agreement or Section 1.2 of the Guaranty Agreement, and the Institution shall furnish written evidence satisfactory to the Agency and the Trustee that such insurance coverage shall in no manner be limited by reason of such assignment, transfer or sublease, (9) each such assignment, transfer or sublease contains such other provisions as the Agency, the Series 2006 Bond Insurer or the Trustee may reasonably require, and (10) in the opinion of Bond Counsel, such assignment, transfer or sublease shall not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes. The Institution shall furnish or cause to be furnished to the Agency, the Series 2006 Bond Insurer and the Trustee a copy of any such assignment, transfer or sublease in substantially final form at least twenty (20) days prior to the date of execution thereof.

(b) Any consent by the Agency, the Series 2006 Bond Insurer or the Trustee to any act of assignment, transfer or sublease 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 Agency, the Series 2006 Bond Insurer and the Trustee consent to any other or subsequent assignment, transfer or sublease, or as modifying or limiting the rights of the Agency, the Series 2006 Bond Insurer or the Trustee under the foregoing covenant by the Institution.

(c) The Institution shall deliver to the Agency on January 1 of each year, commencing January 1, 2007, a completed subtenant survey in the form attached hereto as Schedule C.

Section 9.4. Priority of Indenture and Agency Mortgage. Pursuant to the Agency Mortgage, the Agency and the Institution will mortgage their respective interests in the Mortgaged Facilities to the Trustee as security for the Series 2006 Bonds. Pursuant to the Indenture, the Agency will pledge and assign the installment purchase 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, and interest on the Bonds. This Agreement shall be subject and subordinate to the Agency Mortgage and the Indenture and such mortgage liens, security interests, pledges and assignments thereunder.

Section 9.5. Benefit of and Enforcement by the Series 2006 Bond Insurer and Bondholders. The Agency and the Institution agree that this Agreement is executed in part to induce the Series 2006 Bond Insurer to issue the Series 2006 Bond Insurance Policy and 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 Agency and the Institution as set forth in this Agreement are hereby declared to be for the benefit of the Series 2006 Bond Insurer and the Holders from time to time of the Bonds and may be enforced as provided in Article IX of the Indenture on behalf of the Bondholders by the Trustee.

Section 9.6. Amendments. This Agreement may be amended only with the concurring written consent of the Trustee and the Series 2006 Bond Insurer given in accordance with the provisions of the Indenture and only if the Institution shall assume in writing the obligations of such amended agreement.

Section 9.7. Notices. All notices, requests, consents, demands and other communications to any party hereunder or any other Person specified herein shall be in writing (including bank wire, telecopy or similar writing) and shall be given to such party or other Person, addressed to it, at its address or telecopy number set forth below or such other address or telecopy number as such party or other Person may hereafter specify for the purpose by notice to the other parties or such other Persons. Each such notice, request, consent or demand or other communication shall be effective (i) if given by telecopy, when such telecopy is transmitted to the telecopy number specified below and the appropriate answer back or confirmation of receipt is received, (ii) if given by mail (first class, registered or certified), three (3) Business Days after such communication is deposited in the mails with first class, registered or certified postage prepaid, as applicable, addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified below:

<u>Party</u>	<u>Address</u>
Institution	College of Mount Saint Vincent 6301 Riverdale Avenue Riverdale, New York 10471 Attention: Vice President for Business and Finance Telephone: (718) 405-3300 Telecopier: (718) 405-3201

with a copy to:

Satterlee Stephens Burke & Burke LLP
230 Park Avenue
New York, New York 10169
Attention: Bernard Althoff, Esq.
Telephone: (212) 818-9200
Telecopier: (212) 818-9606

Series 2006 Bond Insurer

Radian Asset Assurance Inc.
335 Madison Avenue
New York, New York 10017
Attention: Chief Risk Officer
Telephone: (212) 983-5859
Telecopier: (212) 682-5377

Agency

New York City Industrial Development Agency
110 William Street
New York, New York 10038
Attention: General Counsel (with a copy to the
Executive Director of the Agency at the
same address)
Telephone: (212) 312-3563
Telecopier: (212) 312-3912

Trustee

The Bank of New York
101 Barclay Street, Floor 21W
New York, New York 10286
Attention: Corporate Trust Administration
Telephone: (212) 815-5192
Telecopier: (212) 815-3455

Section 9.8. Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral (other than any Security Documents), between the Agency and the Institution relating to the Facilities.

Section 9.9. Severability. If any clause, provision or section of this Agreement be ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining provisions hereof.

Section 9.10. Inspection of Facilities. The Institution will permit the Trustee and the Series 2006 Bond Insurer, or their respective duly authorized agents, at all reasonable times upon written notice to enter upon any of the Facilities and to examine and inspect the Facilities and exercise their rights hereunder, under the Indenture and under the other Security Documents with respect to the Facilities. The Institution will further permit the Agency, or its duly authorized agent, at all reasonable times to enter upon any of the Facilities but solely for the purpose of assuring that the Institution is operating the Facilities, or is causing the Facilities to be

operated, as a qualified “project” under the Act consistent with the purposes set forth in the recitals to this Agreement and with the public purposes of the Agency, and not for any purpose of assuring the proper maintenance or repair of the Facilities as such latter obligation is and shall remain solely the obligation of the Institution.

Section 9.11. Effective Date; Counterparts. This Agreement shall become effective 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 9.12. Binding Effect. This Agreement shall inure to the benefit of the Notice Parties, and shall be binding upon the Agency and the Institution and their respective successors and assigns.

Section 9.13. Net Agreement. It is the intention of the parties hereto that this Agreement be “net” to the Institution and that all of the installment purchase payments be available for debt service on the Bonds, and this Agreement shall be construed to effect such intent.

Section 9.14. Law Governing. This Agreement shall be governed by, and construed in accordance with, the laws of the State.

Section 9.15. Investment of Funds. Any moneys held as part of the Rebate Fund, the Debt Service Reserve Fund, the Earnings Fund, the Project Fund, the Bond Fund or the Renewal Fund or in any special fund provided for in this Agreement or in the Indenture to be invested in the same manner as in any said Fund shall, at the written request of an Authorized Representative of the Institution, be invested and reinvested by the Trustee as provided in the Indenture (but subject to the provisions of the Tax Regulatory Agreement). Neither the Agency 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 9.16. Investment Tax Credit. It is the intention of the parties that any investment tax credit or comparable credit that may ever be available shall accrue to the benefit of the Institution and the Institution shall, and the Agency upon advice of counsel may, make any election and take other action in accordance with the Code as may be necessary to entitle the Institution to have such benefit.

Section 9.17. Waiver of Trial by Jury. The parties do hereby expressly waive all rights to trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or the Facilities or any matters whatsoever arising out of or in any way connected with this Agreement.

The provision of this Agreement relating to waiver of a jury trial and the right of re-entry or re-possession shall survive the termination or expiration of this Agreement.

Section 9.18. Non-Discrimination. (a) At all times during the construction, maintenance and operation of the Facilities, the Institution shall not 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 the Institution or any subtenant of any 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, without limitation, 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 Agency all information required by the Agency pursuant to this Section and will cooperate with the Agency for the purposes of investigation to ascertain compliance with this Section.

Section 9.19. No Recourse under this Agreement or on Bonds Against Individuals. All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of the principal of, redemption premium, if any, Sinking Fund Installments for, if any, 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 Agency or any natural person executing the Bonds.

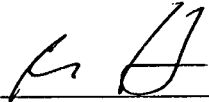
Section 9.20. Requirements of the Sisters of Charity Lease. As to any portion of the Facility Realty subject to the Sisters of Charity Lease, this Agreement is and shall be subject and subordinate in all respects to the Sisters of Charity Lease, including all approved modifications and amendments thereto, and to all matters to which the Sisters of Charity Lease is subject and subordinate.

Section 9.21. Date of Agreement for Reference Purposes Only. 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 executed and delivered as of the Closing Date.

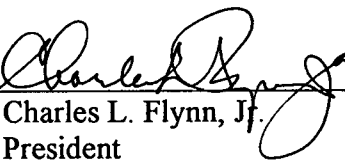
[Intentionally Left Blank]

IN WITNESS WHEREOF, the Agency has caused its corporate name to be hereunto subscribed by its duly authorized Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs, and the Institution has caused its name to be subscribed hereto by its Authorized Representative, all being done as of the year and day first above written.

**NEW YORK CITY INDUSTRIAL
DEVELOPMENT AGENCY**

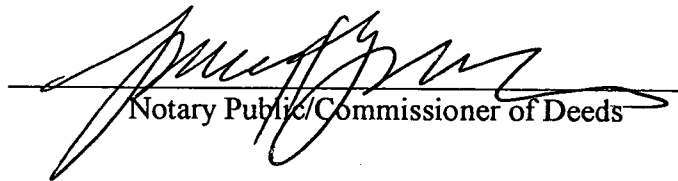
By  _____
Kei Hayashi
Deputy Executive Director

COLLEGE OF MOUNT SAINT VINCENT

By  _____
Charles L. Flynn, Jr.
President

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

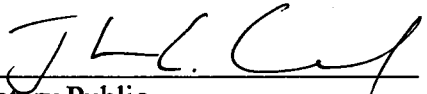
On the 26th day of June, in the year 2006, before me, the undersigned, personally appeared Kei Hayashi, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual executed the instrument.


Notary Public/Commissioner of Deeds

Shawn T. Gallagher
Notary Public - State of New York
No. 01GA6121997
Qualified in New York County
My Commission Expires February 7, 2009

STATE OF NEW YORK)
 : ss. :
COUNTY OF NEW YORK)

On the 28th day of June in the year two thousand six before me, the undersigned, personally appeared Charles L. Flynn, Jr., 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 or entity upon behalf of which the individual acted, executed the instrument.



Notary Public

Thomas E. Curley
Notary Public, State of New York
No. 01CU478765
Qualified in Queens County
Commission Expires Feb. 28, 2010

APPENDICES

DESCRIPTION OF FACILITY REALTY

The demised premises set forth in that certain Company Lease Agreement (the "Lease") made between College of Mount Saint Vincent, as landlord, and New York City Industrial Development Agency, as tenant, dated as of June 1, 2006, which are identified and defined in the Lease as the Grace Center (as to Parcel I below), the Administration Building (as to Parcel I below), the Science Hall (as to Parcel II below), Alumnae Hall (as to Parcel III below), Spellman Hall (as to Parcel III below) and Mastronardi Hall (to be built on Parcel III described below), and are situate on portions of the following pieces or parcels of land:

Parcel I

All that certain piece or parcel of land, situate, lying and being in the Borough and County of the Bronx, City and State of New York, designated as Block 5958, Lot 1 on the Tax Map of the County of the Bronx, as same existed on March 1, 2003.

Parcel II (being part of Block 5958, Lot 10)

All that certain piece or parcel of land situate, lying and being in the Borough of the Bronx, City of New York, County of Bronx, State of New York, and bounded and described as follows:

BEGINNING at a point in the northerly line of West 261st Street, as shown on the Final Maps, Section 26, distant 321.83 feet westerly, as measured along said northerly line, from the westerly line of Riverdale Avenue as legally opened;

THENCE South 04 degrees, 11 minutes, 00 seconds East, 18.18 feet, to the northerly line of Cuthbert Lane (22.00 feet wide);

THENCE South 85 degrees, 49 minutes, 00 seconds West, 628.46 feet, to the easterly line of Palisade Avenue as legally opened, being also the easterly line of Bettners Lane;

THENCE North 13 degrees, 02 minutes, 00 seconds East, along said easterly line of Palisade Avenue and partly along the easterly line of Bettners Lane, 62.13 feet, to the northerly line of Palisade Avenue as legally opened;

THENCE Westwardly, along said northerly line, on an arc with a radius of 160.00 feet, a length of 92.21 feet, to the westerly side of Palisade Avenue, as legally opened;

THENCE South 01 degree, 00 minutes, 00 seconds East, along said line, 16.40 feet, to the southerly line of Randolph Lane;

THENCE South 88 degrees, 03 minutes, 40 seconds West, along said southerly line, 87.68 feet;

THENCE South 86 degrees, 18 minutes, 50 seconds West, 224.01 feet;

THENCE crossing said Randolph Lane and through other lands of The Sisters of Charity of Saint Vincent de Paul, hereinafter called "the Sisters", the following six (6) courses and distances:

1. North 16 degrees, 51 minutes, 50 seconds West, 116.08 feet;
2. North 13 degrees, 41 minutes, 30 seconds East, 85.93 feet;
3. North 83 degrees, 04 minutes, 20 seconds East, 359.71 feet, to a point of intersection, on an arc with a radius of 327.35 feet, said point of intersection having a radial bearing North 10 degrees, 16 minutes, 54 seconds East;
4. Eastwardly along said arc with a radius of 327.35 feet a length of 278.00 feet, to a point of intersection having a radial bearing of North 38 degrees, 22 minutes, 34 seconds West;
5. South 59 degrees, 51 minutes, 20 seconds East, 451.44 feet; and
6. South 4 degrees, 11 minutes, 00 seconds East, 83.76 feet, to the point or place of BEGINNING.

Parcel III (being part of Block 5933, Lot 425)

All that certain piece or parcel of land, situate, lying and being in the Borough and County of Bronx, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the westerly side of Palisade Avenue (60 feet wide) with the southerly side of West 261st Street (60 feet wide);

RUNNING THENCE along the westerly side of Palisade Avenue South 01 degree 00 minutes 00 seconds East, a distance of 460.78 feet to the northerly line of land now or formerly of Hebrew Home Housing Development Fund Company, Inc.;

THENCE along said land the following three (3) courses and distances:

1. South 84 degrees 26 minutes 00 seconds West, a distance of 160.92 feet to a point;
2. South 82 degrees 54 minutes 00 seconds West, a distance of 70.00 feet to a point; and
3. South 80 degrees 53 minutes 00 seconds West, a distance of 139.80 feet to a point;

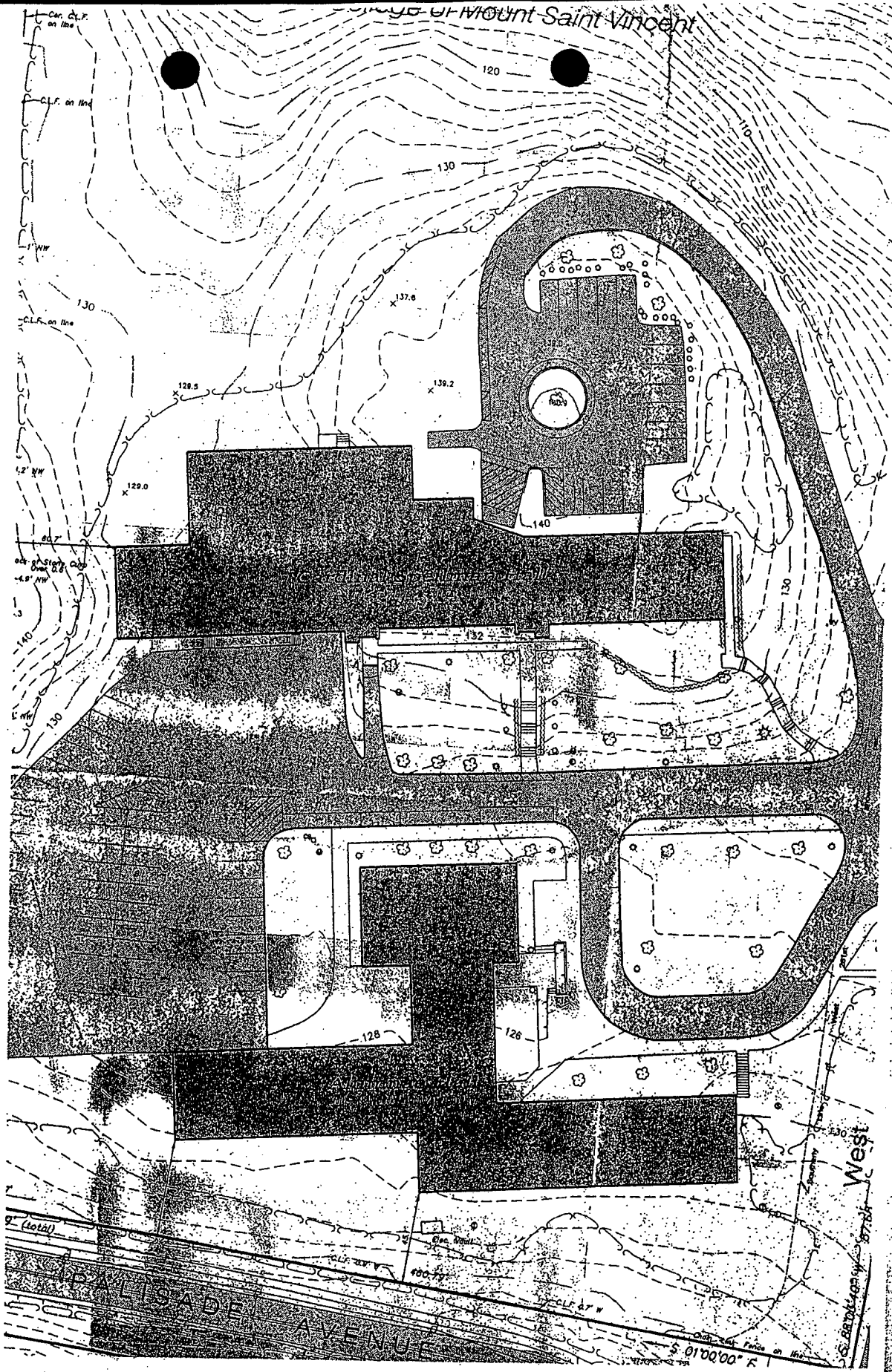
THENCE through lands now or formerly of College of Mount Saint Vincent the following two (2) courses and distances:

1. North 35 degrees 44 minutes 32 seconds West, a distance of 360.00 feet to a point; and
2. North 43 degrees 06 minutes 23 seconds East, a distance of 263.57 feet to the southerly side of West 261st Street;

THENCE along the southerly side of West 261st Street the following three (3) courses and distances:

1. Easterly along the arc of a curve bearing to the right, having a radius of 1,180.00 feet and a central angle of 00 degrees 40 minutes 11 seconds, a distance of 13.79 feet to a point;
2. North 86 degrees 18 minutes 50 seconds East, a distance of 289.00 feet to a point; and
3. North 88 degrees 03 minutes 40 seconds East, a distance of 87.68 feet to the westerly side of Palisade Avenue, the point or place of BEGINNING.

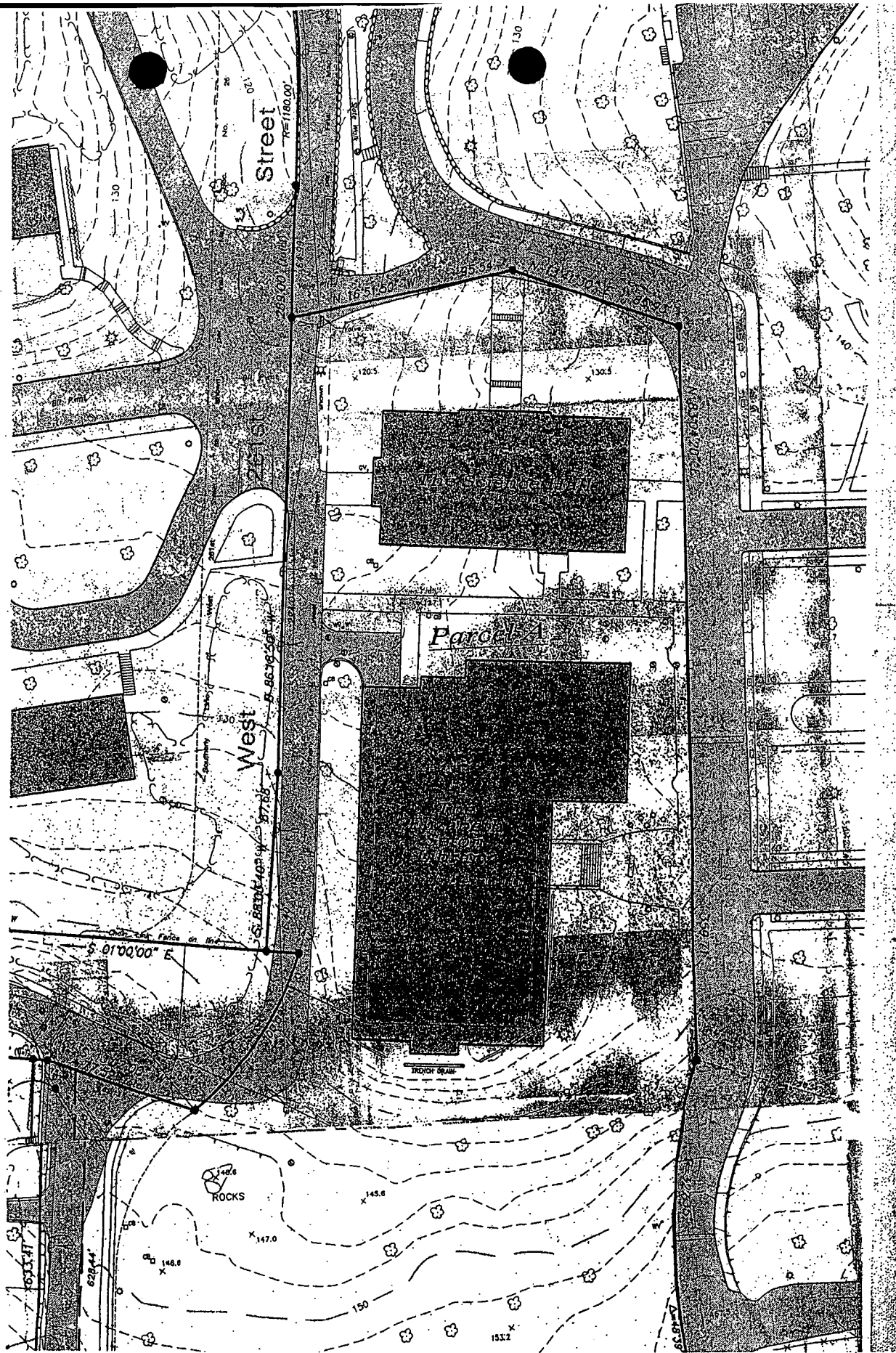
Excluding, however, that certain chapel located on the second floor of the Administration Building.



INSITE
 ENGINEERING, SURVEYING &
 LANDSCAPE ARCHITECTURE, P.C.
 3 Garrett Place • Carmel, New York 10512
 Phone (845) 825-9890 • Fax (845) 225-9717
 www.insite-eng.com

Nicholas C. Chapis
 NICHOLAS C. CHAPIS, L.S.
 New York State License No. 049330

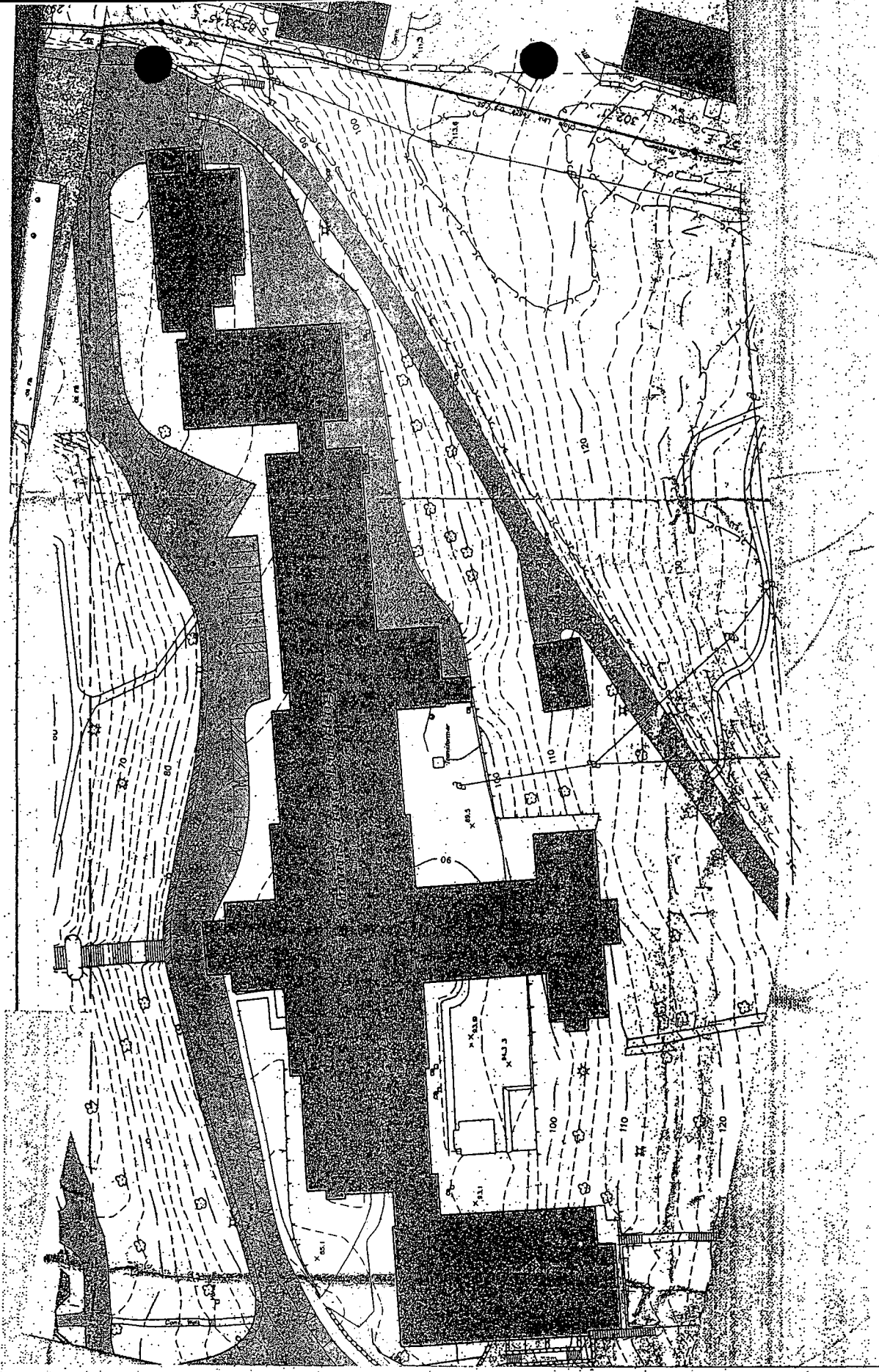
Boundary and Topographic Survey
 of Property Prepared for the
Sisters of Charity of St. Vincent De Paul
 and the
College of Mount Saint Vincent
 City of Yonkers • Westchester County, New York
 Bronx Borough and County • City and State of New York



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Handwritten signature
 NICHOLAS G. CHARIS, L.S.
 New York State License No. 90333

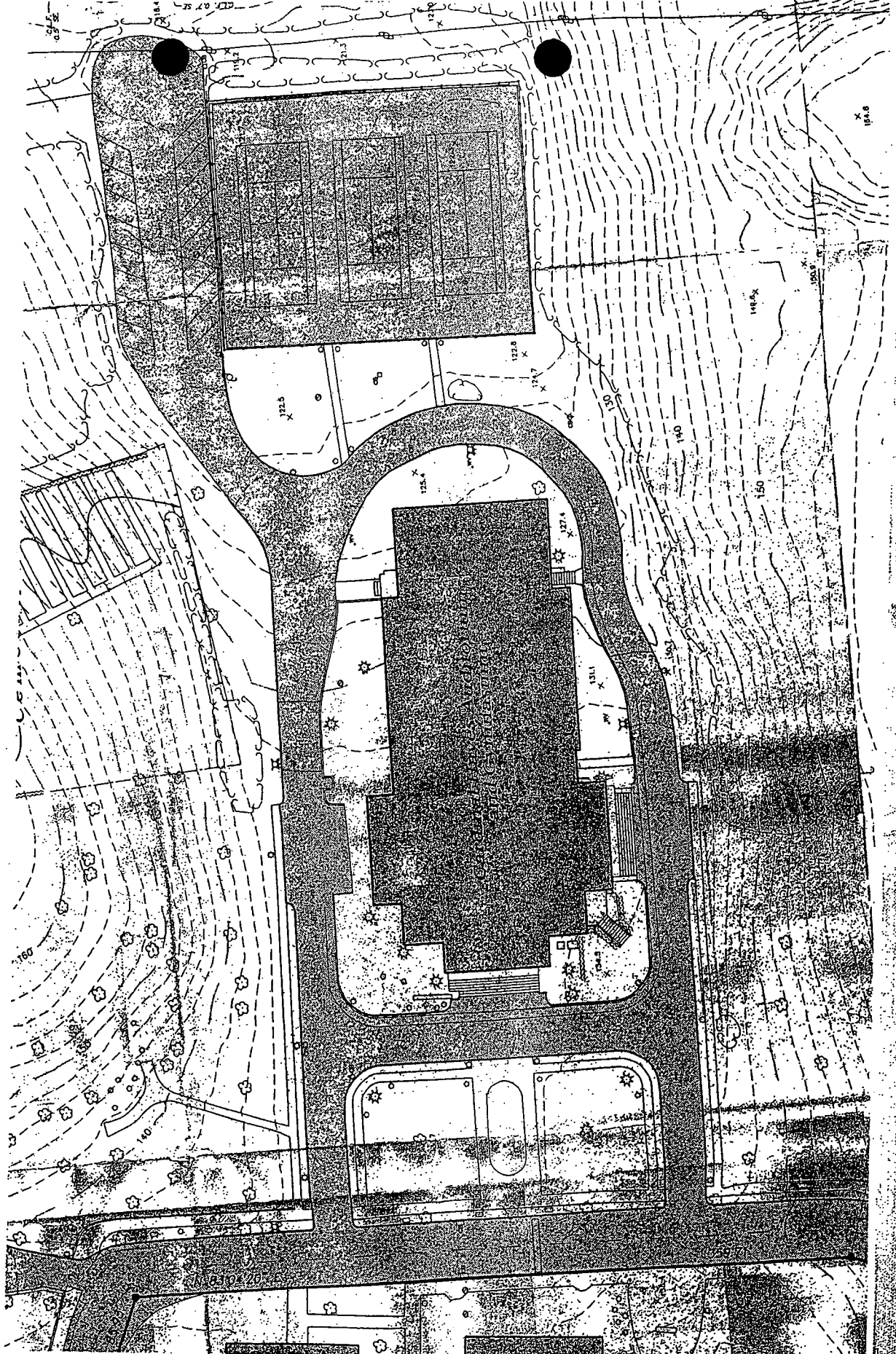
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Nicholas G. Chapis
 NICHOLAS G. CHAPIS, L.S.
 New York State License No. 044330

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Chapis
 NICHOLAS G. CHAPIS, L.S.
 New York State License No. 046230

Boundary and Topographic Survey
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 Sisters of Charity of St. Vincent De Paul
 and the
 College of Mount Saint Vincent
 City of Yonkers • Westchester County, New York
 Bronx Borough and County • City and State of New York

DESCRIPTION OF FACILITY PERSONALTY

Alumnae Spellman and Mastronardi furniture costs 6 27 06 final

Dorm Furniture Alumnae, Spellman and Mastronardi as of 6/27/06									
Current Configuration per Greg Newman 6/26 email									
	Singles	Doubles	Triples	Totals					
Alumnae Rooms	19	0	0	86					
Total Units Alumnae	19	0	0	258	277				
Bunkable bed									
Adden RM07LLTRK									
Adden RM021D									
Sichel DG100									
Armoire									
Chair									
Dresser									
Desk									
NY State price	\$226.57	\$116.45	\$546.77	\$127.82	\$375.77	\$382.61			
# of units	277	277	277	277	277	277			
Cost of replacement	\$62,759.89	\$32,256.65	\$151,455.29	\$35,406.14	\$104,088.29	\$105,982.97			
Total room furniture	\$491,949.23								
Lounges									
4 lounges, each with 2 sofas, 6 chairs, 4 coffee tables, 2 study tables with 4 chairs									
3 lounge/kitchenettes, each with 1 sofa, 2 chairs, 1 coffee table and 1 study table with 4 chairs									
Sofa									
Chair									
Table									
Study table and chairs									
HBE/NY State price									
AGI Cody 6743	\$1,539.00	\$928.00	\$581.00	\$2,650.00					
AGI Rado 7608									
Number of units	11	30	19	11					
Sub total	\$16,929.00	\$27,840.00	\$11,039.00	\$29,150.00					
Total Lounge Furniture	\$84,958.00								
Total Alumnae Furniture	\$576,907.23								

Alumnae Spellman and Mastronardi furniture costs 6 27 06 final

	Singles	Doubles	Triples	Totals	
Mastronardi Rooms	6	97	0		
Total Units Mastronardi	6	194	0	200	
Bunkable bed		Mattress	Armoire	Chair	Desk
Adden RM07LLTRK	\$226.57	Sichel DG100	Adden RM021D	Adden LS16AW	Adden RM04
NY State price		\$116.45	\$546.77	\$127.82	\$382.61
# of units	200	200	200	200	200
Cost of replacement	\$45,314.00	\$23,290.00	\$109,354.00	\$25,564.00	\$75,154.00
Total room furniture	\$355,198.00				
Lounges	5 lounge/kitchenettes, each with 1 sofa, 2 chairs, 1 coffee table and 1 study table with 4 chairs				
Sofa	Chair	Table	Study table and chairs		
AGI Cody 6743	AGI Cody 6723	AGI Rado 7608	HBE/NY State price		
\$1,539.00	\$928.00	\$581.00	\$2,650.00		
5	10	5	5		
Number of units					
Sub total	\$7,695.00	\$9,280.00	\$2,905.00	\$13,250.00	
Total Lounge Furniture	\$33,130.00				
Total Mastronardi Furniture	\$388,328.00				

Alumnae Spellman and Mastronardi furniture costs 6 27 06 final

	Singles	Doubles	Triples	Totals				
Spellman	19	9	87					
Note - 7 triple rooms are set aside for ELS in Spellman.								
Total Units Spellman	19	18	261	298				
Based on current configuration, each student has 1 bed, 1 mattress, 1 chair, 1 armoire, 1 desk, 1 dresser								
Bunkable bed		Mattress	Armoire	Chair	Dresser	Desk		
Adden RM07LLTRK	\$226.57	Sichel DG100	Adden RM021D	Adden LS16AW	Adden RM04	Adden RM05		
		\$116.45	\$546.77	\$127.82	\$375.77	\$382.61		
# of units	298	298	298	298	298	298		
Cost of replacement	\$67,517.86	\$34,702.10	\$162,937.46	\$38,090.36	\$111,979.46	\$114,017.78		
Total room furniture	\$529,245.02							
Lounges	5 lounges, each with 2 sofas, 6 chairs, 4 coffee tables, 1 study table with 4 chairs							
Sofa	Chair	Table	Study table and chairs					
AGI Cody 6743	AGI Cody 6723	AGI Rado 7608	HBE/NY State price					
\$1,539.00	\$928.00	\$581.00	\$2,650.00					
Number of units	10	30	20	5				
Sub total	\$15,390.00	\$27,840.00	\$11,620.00	\$13,250.00				
Total Lounge Furniture	\$68,100.00							
Total Spellman Furniture	\$597,345.02							
Total Furniture Alumnae, Spellman and Mastronardi	\$1,562,580.25							

SCHEDULE A

PROJECT COMPLETION CERTIFICATE OF THE INSTITUTION
AS REQUIRED BY SECTION 2.2(b) OF THE INSTALLMENT SALE AGREEMENT AND
ASSIGNMENT OF LEASE

THE UNDERSIGNED HEREBY CERTIFIES that she/he is an Authorized Representative (as defined in the Installment Sale Agreement referred to below) of College of Mount Saint Vincent, a New York not-for-profit education corporation (the "Institution"), and this certificate is being delivered in accordance with the provisions of Section 2.2(b) of that certain Installment Sale Agreement and Assignment of Lease, dated as of June 1, 2006 (the "Installment Sale Agreement"), between the New York City Industrial Development Agency (the "Agency") and the Institution, and FURTHER CERTIFIES on behalf of the Institution that (capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Installment Sale Agreement):

1. The Project was completed on _____.
2. The Project has been completed substantially in accordance with the plans and specifications therefor and all labor, services, materials and supplies used therefor have been paid for (except for any costs not exceeding \$100,000 in the aggregate (i) not now due and payable or (ii) the liability for payment of which is being contested or disputed in good faith by the Institution).
3. All other facilities necessary in connection with the Project have been completed, and all costs and expenses incurred in connection therewith have been paid (except for any costs not exceeding \$100,000 in the aggregate (i) not now due and payable or (ii) the liability for payment of which is being contested or disputed in good faith by the Institution).
4. All property of the Project is subject to the Company Lease Agreement, the Installment Sale Agreement and, with respect to the Mortgaged Facilities, the liens and security interests of the Agency Mortgage.
5. In accordance with all applicable laws, regulations, ordinances and guidelines, each of the Facilities has been made ready for occupancy, use and operation for its intended purposes.
6. The amount required in my opinion for the payment of any remaining part of the costs of the Project is \$ _____.
7. The Rebate Amount as calculated in accordance with the Tax Regulatory Agreement is \$ _____, and [the Trustee is hereby directed to withdraw such amount from the Earnings Fund and deposit it in the Rebate Fund] [accompanying this certificate is the amount of \$ _____ which the Trustee is directed to deposit in the Rebate Fund].
8. Attached hereto as Exhibit A is a temporary or permanent certificate of occupancy, if required by applicable law, and any and all permissions, approvals, licenses or

consents required of governmental authorities for the occupancy, operation and use of the Facilities for the purposes contemplated by the Installment Sale Agreement.

9. Attached hereto as Exhibit B are releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the Project (or, to the extent that any such costs shall be the subject of a bona fide dispute, attached hereto is evidence that such costs have been appropriately bonded or a copy of a surety or security posted by the Institution in an amount at least equal to the amount of such costs).

10. Attached hereto as Exhibit C is a certificate of the Board of Fire Underwriters with respect to the Facilities.

11. Attached hereto as Exhibit D is evidence that the Facilities are not subject to notices of violations filed in the office of any governmental agency to which the Agency or the Trustee shall object.

12. Attached hereto as Exhibit E is evidence of the issuance of all necessary, unconditional and final permits with respect to the Project from all appropriate governmental agencies, and evidence that the Project is in compliance with all applicable building, zoning and other governmental codes and regulations, and that all requisite licenses, permits and approvals that may be required so as to permit the use and operation of the Facilities by the Institution and any uses necessary or incidental thereto.

13. The Facility Allocation Percentage for each Facility is as follows:

<u>Name of Facility</u>	<u>Facility Allocation Percentage</u>
Alumnae Hall	%
Spellman Hall	
Mastronardi Hall	
Grace Center (refunding)	
Science Hall (refunding)	
Administration Building (refunding)	

This certificate (x) is given without prejudice to any rights of the Institution against third parties which may exist on the date hereof or which may subsequently come into being, and (y) is given only for the purposes of Section 2.2(b) of the Installment Sale Agreement and Section 6.02 of the Indenture. No Person other than the Agency, the Series 2006 Bond Insurer and the Trustee may benefit from this certificate.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this
day of _____, _____.

COLLEGE OF MOUNT SAINT VINCENT

By: _____

Name:

Title:

EMPLOYMENT and BENEFITS REPORT
For the Fiscal Year July 1, 200 - June 30, 200 (FY '0)

In order to comply with State and Local Law reporting requirements, the Company is required to complete and return this form to NYCIDA, 110 William Street, Attention: Compliance, New York, NY 10038 no later than August 1, 200 .

PLEASE SEE THE ATTACHED INSTRUCTIONS AND DEFINITIONS OF CAPITALIZED TERMS USED ON THIS PAGE.

- 1. Number of permanent Full-Time Employees as of June 30, 200_
2. Number of non-permanent Full-Time Employees as of June 30, 200_
3. Number of permanent Part-Time Employees as of June 30, 200_
4. Number of non-permanent Part-Time Employees as of June 30, 200_
5. Number of Contract Employees as of June 30, 200_
6. Total Number of employees of the Company and its Affiliates included in Items 1, 2, 3 and 4.....

For each employee included in this item 6, attach the NYS-45 Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return for the period including June 30, 200_.

- 7. Number of employees included in item 6 above who reside in the City of New York
8. Do the Company and its Affiliates offer health benefits to all Full-Time Employees? Y N (please circle Y or N)
Do the Company and its Affiliates offer health benefits to all Part-Time Employees? Y N (please circle Y or N)

If the answer to item 6 above is 250 or more employees, please complete Item 9 through 13 below:

- 9. Number of employees in Item 6 who are "Exempt"
10. Number of employees in Item 6 who are "Non-Exempt"
11. Number of employees in item 10 that earn up to \$25,000 annually.....
12. Number of employees in item 10 that earn \$25,001 - \$40,000 annually
13. Number of employees in item 10 that earn \$40,001 - \$50,000 annually

For Items 14 through 16, indicate the value of the benefits realized at Project Locations during FY'0 :

- 14. Value of sales and use tax exemption benefits \$
15. Value of Commercial Expansion Program ("CEP") benefits..... \$
16. Value of Relocation and Employment Assistance Program ("REAP") benefits \$
17. Were physical improvements made to any Project Location during FY '0_ at a cost exceeding 10% of the current assessed value of the existing improvements at such Project Location? Y N (please circle Y or N)

If the Company and/or its Affiliates have applied for Industrial and Commercial Incentive Program ("ICIP") benefits for new physical improvements at Project Location(s), please provide the ICIP application number(s) #

Certification: I, the undersigned, an authorized officer or principal owner of the Company/Affiliate/Tenant, hereby certify to the best of my knowledge and belief, that all information contained in this report is true and complete. This form and information provided pursuant hereto may be disclosed to the New York City Economic Development Corporation ("NYCEDC") and New York City Industrial Development Agency ("NYCIDA") and may be disclosed by NYCEDC and NYCIDA in connection with the administration of the programs of NYCEDC and/or NYCIDA and/or the City of New York; and, without limiting the foregoing, such information may be included in (x) reports prepared by NYCEDC pursuant to New York City Charter Section 1301 et. seq., (y) other reports required of NYCIDA or NYCEDC, and (z) any other reports or disclosure required by law.

Entity Name: _____
Signature By: _____ Date: _____
Name (print): _____ Title: _____

DEFINITIONS:

“**Affiliate**” is (i) a business entity in which more than fifty percent is owned by, or is subject to a power or right of control of, or is managed by, an entity which is a party to a Project Agreement, or (ii) a business entity that owns more than fifty percent of an entity which is a party to a Project Agreement or that exercises a power or right of control of such entity.

“**Company**” includes any entity that is a party to a Project Agreement.

“**Contract Employee**” is a person who is an independent contractor (i.e., a person who is not an “employee”), or is employed by an independent contractor (an entity other than the Company, an Affiliate or a Tenant), who provides services at a Project Location.

“**Financial Assistance**” is any of the following forms of financial assistance provided by or at the direction of NYCIDA and/or NYCEDC: a loan, grant, tax benefit and/or energy benefit pursuant to the Business Incentive Rate (BIR) program or New York City Public Utility Service (NYCPUS) program.

“**Full-Time Employee**” is an employee who works at least 35 hours per week at a Project Location.

“**Part-Time Employee**” is an employee who works less than 35 hours per week at a Project Location.

“**Project Agreement**” is any agreement or instrument pursuant to which an entity received or receives Financial Assistance.

“**Project Location**” is any location (a) with regard to which Financial Assistance has been provided to the Company and/or its Affiliates during the fiscal year reporting period covered by the Employment and Benefits Report, or (b) that is occupied by the Company and/or its Affiliates at which such entities have employees who are eligible to be reported per the terms of the Project Agreement with the Company and/or its Affiliates.

“**Tenant**” is a tenant or subtenant (excluding the Company and its Affiliates) that leases or subleases facilities from the Company or its Affiliates (or from tenants or subtenants of the Company or its Affiliates) at any Project Location.

ITEM INSTRUCTIONS For each Project Agreement, please submit one report that covers (i) the Company and its Affiliates and (ii) Tenants and subtenants of Tenants at all Project Locations covered by the Project Agreement. Each Tenant must complete items 1-5, 15 and 16 on this form with regard to itself and its subtenants and return it to the Company. The Company must include in its report information collected by the Company from its Affiliates and Tenants. The Company must retain for six (6) years all forms completed by its Affiliates and Tenants and at NYCIDA’s request must permit NYCIDA upon reasonable notice to inspect such forms and provide NYCIDA with a copy of such forms.

1-4. Items 1, 2, 3 and 4 must be determined as of **June 30, 200_** and must include all permanent and non-permanent Full-Time Employees and Part-Time Employees at all Project Locations, including, without limitation, those employed by the Company or its Affiliates and by Tenants and subtenants of Tenants at the Project Locations. **Do not include Contract Employees in Items 1, 2, 3 and 4.**

5. Report all Contract Employees providing services to the Company and its Affiliates and Tenants and subtenants of Tenants at all Project Locations.

6-14. Report information requested only with respect to the Company and its Affiliates at all Project Locations. For item 6, report only the permanent and non-permanent Full-Time Employees and Part-Time Employees of the Company and its Affiliates. **Do not report employees of Tenants and subtenants of Tenants. Do not report Contract Employees.**

9. Indicate the number of employees included in item 6 who are classified as “**Exempt**”, as defined in the federal Fair Labor Standards Act. Generally, an Exempt employee is not eligible for overtime compensation.

10. Indicate the number of employees included in item 6 who are classified as “**Non-Exempt**”, as defined in the federal Fair Labor Standards Act. Generally, a Non-Exempt employee is is eligible for overtime compensation.

14. Report all sales and use tax exemption benefits realized at all Project Locations by the Company and its Affiliates and granted by virtue of the exemption authority of NYCIDA or the City of New York. **Do not include any sales and use tax savings realized under the NYS Empire Zone Program.**

15. Report all CEP benefits received by the Company and its Affiliates and any Tenants and subtenants of Tenants at all Project Locations. CEP is a package of tax benefits designed to help qualified businesses to relocate or expand in designated relocation areas in New York City. For more information regarding CEP, please visit <http://www.nyc.gov/dof>.

16. Report all REAP benefits received by the Company and its Affiliates and any Tenants and subtenants of Tenants at all Project Locations. REAP is designed to encourage qualified businesses to relocate employees to targeted areas within New York City. REAP provides business income tax credits based on the number of qualified jobs connected to the relocation of employees. For more information regarding REAP, please visit <http://www.nyc.gov/dof>.

SCHEDULE C

ida	New York City Industrial Development Agency	IDA SUBTENANT SURVEY DUE DATE: January 4, ____
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«COMPANY»
 «ADDRESS»
 «CITY »
 «NAME»

In order to verify compliance with your IDA Transaction Documents, please complete the information requested below for each and every subtenant occupying space in your facility as of **DECEMBER 31, ____**.

Total Square Footage of Building(s): _____ Sq. Ft.

Subtenant	Square Footage	Beginning Date	End Lease Date	Related Yes/No
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I, the undersigned hereby certify to the best of my knowledge and belief that the information reported above is true and complete. I understand that this information is submitted pursuant to the requirements of the IDA Transaction Documents.

Name: _____ Title: _____

Signature: _____ Date: _____

Phone Number: _____

Please fax the completed form to:
 New York City Industrial Development Agency
 Compliance Unit
 212-312-3918

HelpLine: 212-312-3963



LOCATION & CONTACT INFORMATION

Due Date By Facsimile: July 31, 20xx

<<Project Company>>

Eligible Project Location(s):

Please provide the information required below for the location or locations that are receiving benefits from the New York City Industrial Development Agency ("IDA").

Project Address & Floor Borough Zip Code Type of Benefit (Pilot, Sales Tax, etc.)

*** Please use additional pages if necessary ***

Please provide below current Project Contact Information:

Name: _____ Title: _____

Address: _____

Phone: _____ Fax: _____ E-mail: _____
(Please print CLEARLY)

Signature: _____

Backup Contact Name/Title/Phone Number:

FAX YOUR RESPONSE TO: (212) 312-3918

Or mail to:
NYC IDA

Attention: Compliance Dept.
110 William Street, 4th Floor
New York, NY 10038

QUESTIONS: Please contact the IDA Compliance Helpline at (212) 312-3963

Investment Portfolio: (\$000 and % of Total)

Top three holdings or any holding accounting for over 10% of Portfolio Value for fiscal year ending 200_ -200_ :

a) Name _____ Amount _____ % _____ Most Recent Gain/Loss _____ _____ %	b) Name _____ Amount _____ % _____ Most Recent Gain/Loss _____ _____ %	c) Name _____ Amount _____ % _____ Most Recent Gain/Loss _____ _____ %
--	--	--

(data above as of available reporting date _____ and/or through reporting period _____)

Please indicate whether these holdings (listed above) are Unrestricted (UR), Temporarily Restricted (TR), or Permanently Restricted (PR)

a) _____ b) _____ c) _____ : If co-mingled, then please indicate (CM)

III. Compliance with the bond document provision for the Radian-Insured transaction:

1. Have all covenants included in the bond documents been met for the current fiscal year? (If No, please explain and detail breaches) _____ Yes _____ No
2. What are the maximum annual debt service requirements (MADS) for the Institution in any future year, including capital leases, non-recourse debt and subordinated debt? \$ _____ (year 20__)
3. What is the current year's annual debt service requirement (ADS) for FY 200_? \$ _____
4. Is the Debt Service Reserve Fund (DSRF) fully funded for FY 200_? _____ Yes _____ No
5. What amount is currently held in the Debt Service Reserve Fund? \$ _____
6. Are all trustee-held funds in "Qualified Investments" pursuant to the bond documents? _____ Yes _____ No

If any response to IV. through VII. Below is "Yes," please attach a description or explanation. In the case of incurring additional debt, please also attach a debt service schedule.

IV. During the most recent fiscal year, has the Institution:

1. Has there been a deficiency in the DSRF due to a draw or market fluctuation during the previous year? _____ Yes _____ No
2. Incurred any indebtedness with a term of more than one year? _____ Yes _____ No
3. Granted a mortgage or lien on any of its property (including any pledge of its revenue)? _____ Yes _____ No
4. Acquired substantially all of the assets of any other corporation or otherwise merged or consolidated with any other corporation? _____ Yes _____ No
5. Transferred property or cash to another corporation or other entity not obligated on the Radian Asset Assurance Inc. (f.k.a. AGIC)-insured bonds in an amount greater than 5% of the book value of all of the Institution's property (other than transactions for fair market value)? _____ Yes _____ No
6. Received proceeds of any title or casualty insurance or any condemnation award aggregating \$250,000 or more? _____ Yes _____ No
7. Entered into any derivative products on outstanding debt (e.g. SWAPS)? _____ Yes _____ No
8. Had any material changes in investment policy for funds held as endowment? _____ Yes _____ No
9. Engaged in or participated in any off-balance sheet financings? _____ Yes _____ No

V.

1. Does the Institution plan to incur additional debt in the near future (2-3 yrs)? _____ Yes _____ No
2. Have there been any changes in senior management at the Institution? _____ Yes _____ No

VI

1. Are you formally affiliated with any religious organization or denomination? Yes No

2. If so, which?

3. Is the school/institution currently accredited? Yes No

4. If yes, who is the accrediting authority?

5. When does the current accreditation expire? / /

6. Do you foresee any issues that would impact your accreditation renewal? Yes No

7. If yes, please explain:

8. Are there any significant events or items, (financing, litigation, legislation, recent or pending management change, etc.) which could affect the Institution's operations, affairs, properties, condition (financial or otherwise), prospects, or access to federal or state loans or grants? Yes No

If any response to IV through VI above is "Yes," please attach a description or explanation. In the case of incurring additional debt, please also attach a debt service schedule.

VII Radian Project Status

1. Are all projects financed or re-financed from the Series 2006 Bonds fully completed? Yes No

2. If not completed, please indicate the status of completion, as well as an expected date of completion of the project(s):

Status: % Completed
Expected Date: / /

3. Have there been any issues resulting in delays or cost overruns to the projects(s)?

4. If yes, please include a statement detailing what the issues are that have resulted in any delays or cost overruns.

When available, please attach or forward the documentation required, pursuant to the Security Documents, to be filed with the Series 2006 Bond Insurer, other than that provided above, including:

Table with 5 rows of documentation requirements and columns for Sent/Not Sent status and Date Expected.

CERTIFICATION

The undersigned duly authorized officer of the above-named Institution hereby certifies for the benefit of Radian Asset Assurance, Inc. that to the best of their knowledge, after review of the Security Documents relating to the Series 2006 Bonds to which the Institution is a party and due inquiry of such other officers of the Institution and review of such records of the Institution as the undersigned has deemed necessary in order to make this certification, (i) all of the forgoing information is accurate and complete in all material respects, (ii) the Institution is as of this date in compliance with the terms of such Security Documents, and (iii) no event of default under any of such Security Documents or event that would, with passage of time or giving of notice or both, constitute such an event of default, has occurred and is continuing as of this date.

Signature: Title: (President or Chief Financial Officer)

Date:

Name (Please print)

COLLEGE OF MOUNT SAINT VINCENT

AND

NEW YORK CITY
INDUSTRIAL DEVELOPMENT AGENCY

COMPANY LEASE AGREEMENT

Dated as of June 1, 2006

\$22,000,000

New York City Industrial Development Agency
Civic Facility Refunding and Improvement Revenue Bonds
(2006 College of Mount Saint Vincent Project), Series A

and

Adjustable Rate Civic Facility Revenue Bonds
(2006 College of Mount Saint Vincent Project), Series B

Record and Return to:	<u>Address</u>	<u>Section</u>	<u>Block</u>	<u>Lot</u>
Hawkins Delafield & Wood LLP	6301 Riverdale Avenue	19	5933	425
One Chase Manhattan Plaza	Riverdale, New York	19	5958	p/o 1
New York, New York 10005		19	5958	p/o 10
Attention: Arthur M Cohen, Esq.				