LIMITED OFFERING MEMORANDUM DATED JUNE 29, 2022

NEW ISSUE **NOT RATED**
BOOK-ENTRY ONLY

*In the opinion of Katten Muchin Rosenman LLP, Bond Counsel, based on existing statutes, regulations, rulings and court decisions, interest on the Series 2022 Bonds is not includable in gross income for federal income tax purposes and is not includable in taxable income for purposes of personal income taxes imposed by the State of New York, The City of New York and the City of Yonkers, New York, assuming compliance with certain covenants and the accuracy of certain representations. In the opinion of Bond Counsel, interest on the Series 2022 Bonds is not an "item of tax preference" for purposes of the federal alternative minimum tax on individuals. See "**TAX MATTERS**" herein.*

$31,160,000
BUILD NYC RESOURCE CORPORATION
TAX-EXEMPT REVENUE BONDS
(RICHMOND MEDICAL CENTER PROJECT), SERIES 2022

Dated: Date of delivery **Due: As shown on the inside front cover**

Build NYC Resource Corporation (the "Issuer") is issuing up to $31,160,000 of its Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project) Series 2022 (the "Series 2022 Bonds"). The Series 2022 Bonds will initially be issued only in fully registered form in the minimum denomination of $100,000, or any integral multiple of $5,000 in excess thereof; provided, however after the Series 2022 Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, Authorized Denominations shall mean $5,000 or any integral multiple thereof. The Series 2022 Bonds are being issued as draw-down bonds, in accordance with the terms of and as required by the Indenture and the Series 2022 Agreement to Advance (as those terms are herein defined).

The Series 2022 Bonds will be registered in the name of Cede & Co., as holder of the Series 2022 Bonds and nominee for The Depository Trust Company ("DTC"). Purchases of the Series 2022 Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" herein. Interest on the Series 2022 Bonds will be payable by U.S. Bank National Association, as trustee for the Series 2022 Bonds (the "Trustee"), monthly on the first Business Day of each month during the Series 2022 Draw-Down Period (as herein defined), and thereafter semi-annually on June 1 and December 1 of each year, commencing December 1, 2022. The Series 2022 Bonds are subject to optional, extraordinary, mandatory sinking fund, and mandatory redemption prior to maturity as further described herein. See "THE SERIES 2022 BONDS – Redemption Provisions" herein.

The Series 2022 Bonds are being issued for the benefit of Richmond Medical Center doing business as Richmond University Medical Center, a New York not-for-profit corporation (the "Institution"), pursuant to the Indenture of Trust dated as of December 1, 2018 (the "Original Indenture"), as supplemented and amended by the First Supplemental Indenture of Trust, dated as of June 1, 2022 (the "Supplement", and together with the Original Indenture, the "Indenture"), each by and between the Issuer and the Trustee in order to provide a portion of the funds required to (i) finance the Series 2022 Project (as herein defined), (ii) fund a debt service reserve account, and (iii) pay certain costs related to the issuance of the Series 2022 Bonds, all as more fully described herein. The Series 2022 Bonds are being issued as Additional Bonds (as herein defined) under the Indenture on parity with the Series 2018 Bonds (as herein defined).

The proceeds from the sale of the Series 2022 Bonds are being loaned to the Institution pursuant to the Loan Agreement, dated as of December 1, 2018 (the "Original Agreement"), as amended and supplemented by the First Loan Agreement Amendment, dated as of June 1, 2022 (the "First Amendment", and together with the Original Agreement (the "Loan Agreement"), each by and between the Issuer and the Institution. The Institution will be obligated under the Loan Agreement and a promissory note (the "Series 2022 Promissory Note") to make payments sufficient to pay the principal and Redemption Price of, Sinking Fund Installments for, and interest on the Series 2022 Bonds as the same become due. The Institution's obligations under the Loan Agreement and the Series 2022 Promissory Note are secured by a Mortgage (as herein defined) on certain real property owned or leased by the Institution. The Series 2022 Bonds are secured, on a parity basis with the Series 2018 Bonds, by (i) all right, title, and interest of the Issuer in and to the Loan Agreement, including all loan payments, revenues and receipts payable or receivable on pledged thereunder, including, but not limited to, Gross Revenues (as defined in the Indenture) and the security interest granted pursuant to the Loan Agreement (excluding the Issuer's Reserved Rights (as defined in the Indenture)), and the respective Promissory Note (as defined herein), (ii) all moneys and securities from time to time held by the Trustee under the terms of the Indenture, (iii) any and all other property of every kind and nature from time to time conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Indenture, including, without limitation, all conveyances, mortgages, pledges, assignments and transfers made under the Security Documents and all collateral described therein, subject to the terms of the Indenture, and (iv) the Security Documents (as defined in the Indenture). See "SECURITY FOR THE SERIES 2022 BONDS" herein.

The Underwriter intends to hereby offer the Series 2022 Bonds at initial issue to Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act of 1933, provided that subsequent transfers of the Series 2022 Bonds may be made only to Qualified Institutional Buyers and "accredited investors" (as defined in Regulation D under the Securities Act of 1933, as amended), and provided, further, that after the Series 2022 Bonds are rated investment grade or better by a Rating Agency, then upon the Trustee receiving written notice of the occurrence of such event, the Series 2022 Bonds shall be transferrable to any purchaser.

THE SERIES 2022 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, SINKING FUND INSTALLMENTS, REDEMPTION PRICE, AND INTEREST SOLELY FROM THE PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT AND THE SERIES 2022 PROMISSORY NOTE, AND FROM THE TRUST ESTATE (AS HEREIN DEFINED). NEITHER THE STATE OF NEW YORK (THE "STATE") NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF NEW YORK (THE "CITY"), SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, SINKING FUND INSTALLMENTS FOR, OR THE INTEREST ON, THE SERIES 2022 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, IS PLEDGED TO SUCH PAYMENT OF THE SERIES 2022 BONDS. THE SERIES 2022 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2022 BONDS WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, SINKING FUND INSTALLMENTS FOR, OR THE INTEREST ON THE SERIES 2022 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE, OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

THE SERIES 2022 BONDS ARE NOT RATED. AN INVESTMENT IN THE SERIES 2022 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK AND IS NOT APPROPRIATE FOR UNSOPHISTICATED INVESTORS. PROSPECTIVE PURCHASERS ARE ADVISED TO READ THIS ENTIRE LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO; SPECIAL REFERENCE IS MADE TO THE SECTIONS "SECURITY OF THE SERIES 2022 BONDS" AND "BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2022 BONDS.

The Series 2022 Bonds are offered when, as and if issued subject to the approval of legality by Katten Muchin Rosenman LLP, New York, New York, Bond Counsel to the Issuer, and certain other conditions. Certain legal matters will be passed upon for the Issuer by its General Counsel and for the Institution by its counsel, Garfunkel Wild, PC, Great Neck, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, Boston, Massachusetts. It is expected that delivery of the Series 2022 Bonds will take place through the facilities of DTC on or about June 30, 2022.

CAIN BROTHERS
A division of
KeyBanc Capital Markets

$31,160,000
BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS
(RICHMOND MEDICAL CENTER PROJECT), SERIES 2022

MATURITY, PRINCIPAL AMOUNT, INTEREST RATE, YIELD AND CUSIP

$31,160,000 6.50% Term Bond due December 1, 2052 Yield: 6.733% CUSIP*: 12008ESQ0

---

* The CUSIP number has been assigned by an independent company not affiliated with the Issuer and is included solely for the convenience of the holders of the Bonds. None of the Issuer, the Institution, the Trustee or the Underwriter is responsible for the selection or uses of the CUSIP number and no representation is made as to its correctness on the Series 2022 Bonds or as indicated above. The CUSIP number is subject to being changed after the issuance of the Series 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2022 Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2022 Bonds.

NOTICE TO INVESTORS

THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE SERIES 2022 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION, OR SALE IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER, SOLICITATION, OR SALE IS NOT QUALIFIED TO DO SO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION, OR SALE.

THERE CAN BE NO GUARANTEE THAT THERE WILL BE A SECONDARY MARKET FOR THE SERIES 2022 BONDS OR, IF A SECONDARY MARKET EXISTS, THAT SUCH SERIES 2022 BONDS CAN BE SOLD FOR ANY PARTICULAR PRICE. OCCASIONALLY, BECAUSE OF GENERAL MARKET CONDITIONS, LACK OF CURRENT INFORMATION, THE ABSENCE OF A CREDIT RATING FOR THE SERIES 2022 BONDS OR BECAUSE OF ADVERSE HISTORY OR ECONOMIC PROSPECTS CONNECTED WITH A PARTICULAR ISSUE OR INDUSTRY, SECONDARY MARKETING PRACTICES IN CONNECTION WITH A PARTICULAR ISSUE ARE SUSPENDED OR TERMINATED. ADDITIONALLY, PRICES OF ISSUES FOR WHICH A MARKET IS BEING MADE WILL DEPEND UPON THEN PREVAILING CIRCUMSTANCES. SUCH PRICES COULD BE SUBSTANTIALLY DIFFERENT FROM THE ORIGINAL PURCHASE PRICE.

THE SERIES 2022 BONDS ARE NOT INSURED OR GUARANTEED BY ANY GOVERNMENTAL AGENCY OR INSTRUMENTALITY, OR BY ANY OTHER PERSON. THE SERIES 2022 BONDS ARE NONRECOURSE TO THE ISSUER AND ARE PAYABLE SOLELY FROM THE TRUST ESTATE, AS DEFINED HEREIN, AND PROSPECTIVE INVESTORS SHOULD MAKE AN INVESTMENT DECISION BASED UPON AN ANALYSIS OF THE SUFFICIENCY OF THE TRUST ESTATE.

THE SERIES 2022 BONDS OFFERED HEREBY ARE SPECULATIVE, AND AN INVESTMENT IN THE SERIES 2022 BONDS INCLUDES A HIGH DEGREE OF RISK. (SEE “BONDHOLDERS’ RISKS”.) THIS LIMITED OFFERING MEMORANDUM HAS BEEN PREPARED FROM INFORMATION FURNISHED BY THE INSTITUTION AND FROM OTHER SOURCES. THE INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM IS PROVIDED SOLELY IN CONNECTION WITH THE CONSIDERATION OF THE PURCHASE OF THE SERIES 2022 BONDS. ITS USE FOR ANY OTHER PURPOSE IS NOT AUTHORIZED.

IN MAKING AN INVESTMENT DECISION REGARDING THE SERIES 2022 BONDS OFFERED HEREBY, PROSPECTIVE INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INSTITUTION, AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS HEREOF AS INVESTMENT, LEGAL, OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT, AND OTHER ADVISORS AS TO LEGAL, TAX, BUSINESS, FINANCIAL, AND RELATED ASPECTS OF AN INVESTMENT IN THE SERIES 2022 BONDS. THE ISSUER AND INSTITUTION ARE NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE SERIES 2022 BONDS REGARDING THE LEGALITY OF AN INVESTMENT IN THE SERIES 2022 BONDS BY SUCH OFFEREE OR PURCHASER UNDER APPROPRIATE LEGAL INVESTMENT OR SIMILAR LAWS. THE OFFERING IS BEING MADE SOLELY ON THE BASIS HEREOF. ANY DECISION TO PURCHASE SERIES 2022 BONDS IN THE OFFERING MUST BE BASED ON THE INFORMATION CONTAINED HEREIN.

EACH PURCHASER OF THE SERIES 2022 BONDS MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS, OR SELLS THE SERIES 2022 BONDS OR POSSESSES OR DISTRIBUTES THIS LIMITED OFFERING MEMORANDUM AND MUST OBTAIN ANY CONSENT, APPROVAL, OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER, OR SALE BY IT OF THE SERIES 2022 BONDS UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS, OR SALES, AND THE ISSUER DOES NOT HAVE ANY RESPONSIBILITY THEREFOR.

NO PERSON IS AUTHORIZED IN CONNECTION WITH THIS OFFERING TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED HEREIN AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE INSTITUTION. THE INFORMATION CONTAINED HEREIN IS SUBJECT TO CHANGE, COMPLETION, OR AMENDMENT WITHOUT NOTICE. NEITHER THE DELIVERY HEREOF AT ANY TIME NOR ANY SUBSEQUENT COMMITMENT TO ENTER INTO ANY FINANCING SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN OR IN THE AFFAIRS OF THE INSTITUTION SINCE THE DATE HEREOF.

THE OBLIGATIONS OF THE PARTIES TO THE TRANSACTIONS REFERRED TO HEREIN ARE SET FORTH IN, AND GOVERNED BY, CERTAIN DOCUMENTS DESCRIBED HEREIN, AND ALL OF THE STATEMENTS AND INFORMATION CONTAINED HEREIN ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. THIS LIMITED OFFERING MEMORANDUM CONTAINS SUMMARIES OF CERTAIN OF THESE DOCUMENTS, WHICH THE INSTITUTION BELIEVES TO BE ACCURATE, BUT FOR A COMPLETE DESCRIPTION OF THE RIGHTS AND OBLIGATIONS OF THE PARTIES THERETO SUMMARIZED HEREIN, REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS. THE FINANCIAL DATA AND OTHER INFORMATION CONTAINED HEREIN HAVE BEEN OBTAINED FROM SOURCES WHICH ARE BELIEVED TO BE RELIABLE. THERE IS NO GUARANTEE THAT ANY OF THE ASSUMPTIONS OR ESTIMATES CONTAINED HEREIN WILL BE REALIZED.

THE INFORMATION CONTAINED HEREIN IS SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM NOR ANY SALE MADE HEREUNDER WILL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION OR OPINIONS SET FORTH HEREIN OR IN THE AFFAIRS OF ANY PARTIES DESCRIBED HEREIN SINCE THE DATE HEREOF.

THIS LIMITED OFFERING MEMORANDUM CONTAINS FORWARD-LOOKING STATEMENTS. THESE FORWARD-LOOKING STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND PROJECTIONS ABOUT FUTURE EVENTS. FORWARD-LOOKING STATEMENTS ARE IDENTIFIED IN THIS LIMITED OFFERING MEMORANDUM BY USING WORDS OR PHRASES SUCH AS “ANTICIPATE,” “BELIEVE”, “CONTEMPLATE”, “CONTINUE”, “ESTIMATE”, “EXPECT”, “INTEND”, “MAY”, “OBJECTIVE”, “PLAN”, “PREDICT”, “POTENTIAL”, “PROJECT”, “SHOULD”, AND “WILL” AND SIMILAR WORDS OR PHRASES, OR THE NEGATIVE OF THESE WORDS OR PHRASES. THESE FORWARD-LOOKING STATEMENTS ARE SUBJECT TO NUMEROUS ASSUMPTIONS, RISKS, AND UNCERTAINTIES EXCEPT AS OTHERWISE REQUIRED BY THE FEDERAL SECURITIES LAWS. THE INSTITUTION DISCLAIMS ANY OBLIGATION OR UNDERTAKING TO PUBLICLY RELEASE ANY UPDATES OR REVISIONS TO ANY FORWARD-LOOKING STATEMENT CONTAINED IN THIS LIMITED OFFERING MEMORANDUM TO REFLECT ANY CHANGE IN ITS EXPECTATIONS WITH REGARD TO THESE STATEMENTS OR ANY CHANGE IN EVENTS, CONDITIONS, OR CIRCUMSTANCES ON WHICH ANY SUCH STATEMENT IS BASED. ALL SUBSEQUENT WRITTEN AND ORAL FORWARD-LOOKING STATEMENTS ATTRIBUTABLE TO THE INSTITUTION OR PERSONS ACTING ON ITS BEHALF ARE EXPRESSLY QUALIFIED IN THEIR ENTIRETY BY THE CAUTIONARY STATEMENTS SET FORTH OR REFERRED TO ABOVE. NOTHING HEREIN SHALL BE DEEMED TO CONSTITUTE A REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE INSTITUTION OR THE SERIES 2022 BONDS.

TABLE OF CONTENTS

INTRODUCTION 1
THE ISSUER 3
THE INSTITUTION 4
THE PROJECT 4
ESTIMATED SOURCES AND USES OF FUNDS 4
THE SERIES 2022 BONDS 4
BOOK-ENTRY ONLY SYSTEM 11
SECURITY FOR THE SERIES 2022 BONDS 13
ANNUAL BOND DEBT SERVICE REQUIREMENTS 19
BONDHOLDERS' RISKS 20
REGULATION OF THE HEALTH CARE INDUSTRY 45
LITIGATION 59
LEGAL MATTERS 59
TAX MATTERS 60
NO RATINGS 62
UNDERWRITING 62
INDEPENDENT AUDITORS 63
CONTINUING DISCLOSURE 63
MISCELLANEOUS 63

APPENDIX A - INFORMATION CONCERNING THE INSTITUTION A-1
APPENDIX B - AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF RICHMOND MEDICAL CENTER AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 ..... B-1
APPENDIX C - DEFINITIONS OF CERTAIN TERMS IN THE INDENTURE AND THE LOAN AGREEMENT C-1
APPENDIX D - INDENTURE OF TRUST D-1
APPENDIX E - LOAN AGREEMENT E-1
APPENDIX F - FORM OF CONTINUING DISCLOSURE AGREEMENT F-1
APPENDIX G - PROPOSED FORM OF OPINION OF BOND COUNSEL G-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

LIMITED OFFERING MEMORANDUM
RELATING TO

$31,160,000
BUILD NYC RESOURCE CORPORATION
TAX-EXEMPT REVENUE BONDS
(RICHMOND MEDICAL CENTER PROJECT)
SERIES 2022

See APPENDIX C — "DEFINITIONS OF CERTAIN TERMS IN THE INDENTURE AND THE LOAN AGREEMENT" for definitions of certain of the words and terms used in this Limited Offering Memorandum.

INTRODUCTION

This Limited Offering Memorandum (including the front cover page, the inside front cover page, and the Appendices) is being distributed in connection with the offering and sale by Build NYC Resource Corporation (the "*Issuer*") of up to $31,160,000 aggregate principal amount of its Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022 (the "*Series 2022 Bonds*"). The Issuer is a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York (the "*State*") at the direction of the Mayor of The City of New York (the "*City*").

The Series 2022 Bonds are authorized to be issued under and pursuant to a resolution of the Issuer adopted on January 18, 2022, authorizing the issuance and sale of the Series 2022 Bonds and an Indenture of Trust, dated as of December 1, 2018 (the "*Original Indenture*"), as amended and supplemented by a First Supplemental Indenture of Trust, dated as of June 1, 2022 (the "*Supplement*", and together with the Original Indenture, the "*Indenture*"), each by and between the Issuer and U.S. Bank National Association, as trustee (the "*Trustee*"). The Trustee also will serve as Paying Agent and Bond Registrar for the Series 2022 Bonds. The Original Indenture was entered into in connection with the issuance by the Issuer of its up to $102,065,000 Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project) Series 2018A (the "*Series 2018A Bonds*") and its up to $30,000,000 Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B (the "Series 2018B Bonds" and, together with the Series 2018A Bonds, the "*Series 2018 Bonds*"), outstanding as of June 1, 2022, in the aggregate principal amount of $131.95 million. The Original Indenture provides for the issuance of additional bonds on parity with the Series 2018 Bonds ("*Additional Bonds*") subject to certain terms and conditions set forth in the Original Indenture and the Original Loan Agreement (as hereinafter defined). The Series 2022 Bonds are being issued as Additional Bonds under the Original Indenture. The Series 2018 Bonds, the Series 2022 Bonds, and any other Additional Bonds issued under the Indenture are collectively referred to herein as the "*Bonds*".

The proceeds from the sale of the Series 2022 Bonds are being loaned to Richmond Medical Center doing business as Richmond University Medical Center, a not-for-profit corporation organized and existing under the laws of the State (the "*Institution*") pursuant to a Loan Agreement, dated as of December 1, 2018 (the "*Original Agreement*"), as amended by a First Loan Agreement Amendment, dated as of June 1, 2022 (the "*First Amendment*", and together with the Original Agreement, the "*Loan Agreement*"), each by and between the Issuer and the Institution, for the purposes described below.

The Institution is obligated under the Loan Agreement and a promissory note from the Institution to the Issuer with respect to each Series of Bonds, including the Series 2022 Promissory Note (each, a "*Promissory Note*" and collectively, the "*Promissory Notes*") to pay the principal and Redemption Price of, Sinking Fund Installments for, and interest on all Bonds, including the Series 2022 Bonds, as the same become due. The obligations of the Institution to make payments with respect to the Series 2022 Bonds pursuant to the Loan Agreement and the Series 2022 Promissory Note are unconditional obligations of the Institution, secured by a lien on the Mortgaged Property pursuant to the Mortgage (each as hereinafter defined). The Institution also has granted a Lien on the Mortgaged Property to secure the Institution's obligations under the Loan Agreement with respect to the Series 2018 Bonds, on parity with the Lien securing the Series 2022 Bonds. The Bonds, including the Series 2022 Bonds, are secured by (i) all right, title, and interest of the Issuer in and to the Loan Agreement, including all loan payments, revenues and receipts payable or receivable or pledged thereunder, including, but not limited to, Gross Revenues, and the security interest granted pursuant to the Loan Agreement (excluding the Issuer's Reserved Rights), and the respective Promissory

Note, (ii) all moneys and securities from time to time held by the Trustee under the terms of the Indenture, (iii) any and all other property of every kind and nature from time to time conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Indenture, including, without limitation, all conveyances, mortgages, pledges, assignments and transfers made under the Security Documents and all collateral described therein, subject to the terms of the Indenture, and (iv) the Security Documents**, provided however that the Series 2018A Bonds Debt Service Reserve Account within the Debt Service Reserve Fund secures only the Series 2018A Bonds, the Series 2018B Bonds Debt Service Reserve Account within the Debt Service Reserve Fund secures only the Series 2018B Bonds and the Series 2022 Bonds Debt Service Reserve Account within the Debt Service Reserve Fund secures only the Series 2022 Bonds**. See "SECURITY FOR THE SERIES 2022 BONDS".

Pursuant to the Indenture, the Issuer has assigned to the Trustee substantially all of its right, title, and interest in and to each Promissory Note and the Loan Agreement (except for the Issuer's Reserved Rights), including all rights to receive payment of the principal and Redemption Price of, Sinking Fund Installments for, and interest on the Bonds to be made by the Institution pursuant to the Loan Agreement and the Promissory Notes.

The Series 2022 Bonds are special limited revenue obligations of the Issuer payable solely from the payments made by the Institution under the Loan Agreement and the Series 2022 Promissory Note and from the Trust Estate as described in the Indenture. See "SECURITY FOR THE SERIES 2022 BONDS".

The proceeds from the sale of the Series 2022 Bonds will be loaned to the Institution and used, together with the other available funds of the Institution, to: (i) finance (A) the design, construction, furnishing, and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus, and (B) other hospital expansions, renovations and equipment to be located on the Institution's Campus; (ii) fund the Series 2022 Bonds Debt Service Reserve Account within the Debt Service Reserve Fund; and (iii) fund certain costs related to the issuance of the Series 2022 Bonds. See "THE PROJECT", "ESTIMATED SOURCES AND USES OF FUNDS", and APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION".

The Series 2022 Bonds are subject to optional, extraordinary, mandatory sinking fund and mandatory redemption prior to maturity, as further described herein. See "THE SERIES 2022 BONDS – Redemption Provisions".

Subject to compliance with the provisions of the Indenture and the Loan Agreement summarized below under the heading "SECURITY FOR THE SERIES 2022 BONDS – Additional Indebtedness", the Issuer may, upon the request of the Institution, issue Additional Bonds under the Indenture for the benefit of the Institution. Any such Additional Bonds issued under the Indenture will be on parity with the outstanding Series 2018 Bonds and the Series 2022 Bonds.

The front portion of this Limited Offering Memorandum contains brief descriptions of the Issuer, the Institution, the Series 2022 Bonds, the Indenture, the Loan Agreement, the Agreement to Advance (the "*Series 2022 Agreement to Advance*"), and the Continuing Disclosure Agreement to be entered into between the Institution and the Trustee on the date of issuance of the Series 2022 Bonds (the "*Continuing Disclosure Agreement*"). Additional information about the Institution is set forth in APPENDIX A. The audited financial statements of the Institution as of and for the two fiscal years ended December 31, 2021 and 2020, are included in APPENDIX B. APPENDIX C contains definitions of certain terms used in the Indenture and the Loan Agreement. The Original Indenture and the form of the Supplement are included as APPENDIX D. The Original Agreement and the form of First Amendment are included as APPENDIX E. The proposed form of the Continuing Disclosure Agreement is included as APPENDIX F. The proposed form of opinion of Bond Counsel is included in APPENDIX G.

All references in this Limited Offering Memorandum to the Indenture, the Loan Agreement, the Series 2022 Promissory Note, the Series 2022 Agreement to Advance, and the Continuing Disclosure Agreement are qualified in their entirety by reference to such documents, and the description of the Series 2022 Bonds is qualified in its entirety by reference to the terms thereof and the information with respect thereto included in the Indenture and the Loan Agreement. All such descriptions are further qualified in their entirety by reference to laws relating to or affecting the enforcement of creditors' rights generally. Copies of the Series 2022 Agreement to Advance may be obtained prior to the date of issuance of the Series 2022 Bonds from the Underwriter (as defined herein) at its offices at 1301 Avenue

of the Americas, 35th Floor, New York, NY 10019, and, on and after the date of issuance of the Series 2022 Bonds, from the Trustee at its offices at 100 Wall Street, 16th Floor, New York, New York 10005.

This introduction is subject in all respects to the additional information contained in this Limited Offering Memorandum, including APPENDICES A through G.

THE ISSUER

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

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

The Series 2022 Bonds are special, limited revenue obligations of the Issuer payable solely out of certain funds pledged therefor. Nothing in the Series 2022 Bonds or the Indenture shall be considered as pledging or committing any other funds or assets of the Issuer to the payment of the Series 2022 Bonds or the satisfaction of any other obligation of the Issuer under the Series 2022 Bonds or the Indenture.

Neither the Issuer nor its members, directors, officers, agents, servants or employees, nor any person executing the Series 2022 Bonds, shall be liable personally with respect to the Series 2022 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Accordingly, no financial information regarding the Issuer or its members, directors, officers, employees or agents has been included herein.

Neither the State nor any political subdivision of the State including, without limitation, the City, is or shall be obligated to pay the principal or redemption price of or interest on the Series 2022 Bonds, and neither the faith and credit nor the taxing power of the State or the City is pledged to such payment. The Issuer has no taxing power.

The Issuer has not prepared or assisted in the preparation of this Limited Offering Memorandum, except for statements under the sections captioned "THE ISSUER" and "LITIGATION – The Issuer", and except as aforesaid, the Issuer is not responsible for any statements made in this Limited Offering Memorandum. Except for the execution and delivery of documents required to effect the issuance of the Series 2022 Bonds, the Issuer has not otherwise assisted in the offer, sale, or distribution of the Series 2022 Bonds. Accordingly, except as aforesaid, the Issuer disclaims responsibility for the disclosures set forth in this Limited Offering Memorandum or otherwise made in connection with the offer, sale, or distribution of the Series 2022 Bonds. The Institution has agreed to indemnify the Issuer against certain liabilities relating to this Limited Offering Memorandum.

THE INSTITUTION

The Institution has provided the information in APPENDICES A and B attached hereto for use herein. While such information is believed to be reliable, none of the Issuer, the Underwriter, of any of their respective counsel (including Bond Counsel), members, directors, officers or employees makes any representation as to the accuracy or sufficiency of such information.

THE PROJECT

The project being financed with the proceeds of the Series 2022 Bonds consists of (i) (A) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus, and (B) other hospital expansions, renovations and equipment to be located on the Institution's Campus; (ii) the funding of the Series 2022 Bonds Debt Service Reserve Account within the Debt Service Reserve Fund; and (iii) paying certain costs of issuance of the Series 2022 Bonds (clauses (i) through (iii) are collectively referred herein to as the "*Series 2022 Project*").

Further information regarding the Series 2022 Project is set forth in APPENDIX A.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Series 2022 Bonds, together with an equity contribution of the Institution and other available funds, are expected to be applied as follows (rounded to the nearest dollar):

Sources of Funds:	
Par Amount[1]	$31,160,000
Original issue discount	(934,800)
Equity contribution	255,640
Other available funds[2]	23,129,900
Total Sources	**$53,610,740**
Uses of Funds:	
Deposit to Project Account[1]	$49,557,276
Deposit to Debt Service Reserve Account[1]	3,022,520
Costs of Issuance[3]	1,030,944
Total Uses	**$53,610,740**

[1] The amount shown reflects the total amount of Series 2022 Bond proceeds allowable to be drawn down by the Institution. The Institution will draw down an initial amount equal to $9,150,000 on the Closing Date but may, or may not, draw any additional amounts from the available Series 2022 Bond proceeds.

[2] Includes amounts received by the Institution from the Federal Emergency Management Agency (FEMA) relating to COVID-19 expenses ($6,240,900) and certain grant funds allocable to the Series 2022 Project ($16,889,000).

[3] Includes underwriting discount, Issuer fees, and legal, accounting, and other fees and expenses of issuing the Series 2022 Bonds.

THE SERIES 2022 BONDS

The information under this heading is subject to the information set forth below under the heading "BOOK-ENTRY-ONLY SYSTEM" while the Series 2022 Bonds are held in DTC's (defined below) book-entry only system.

General

The Series 2022 Bonds will be dated their date of original issuance and will bear interest from their date at the applicable rate until the entire principal amount of the Series 2022 Bonds has been paid, payable monthly during the Series 2022 Draw-Down Period on the first Business Day of each month, commencing August 1, 2022, and semiannually after the end of the Series 2022 Draw-Down Period on June 1 and December 1 of each year, commencing

December 1, 2022 (each an "*Interest Payment Date*"), computed on the basis of a 360-day consisting of twelve 30-day months. The Series 2022 Bonds will mature (subject to prior redemption) in the principal amount and on the date set forth on the inside front cover page of this Limited Offering Memorandum. The Series 2022 Bonds will initially be issuable only in fully registered, book-entry only form in a minimum denomination of $100,000 or any integral multiple of $5,000 in excess thereof; provided, however, after the Series 2022 Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, Authorized Denominations shall mean $5,000 or any integral multiple thereof (the "*Authorized Denomination*"). See "BOOK-ENTRY ONLY SYSTEM" herein.

The Series 2022 Bonds are being issued as "draw-down loans" under Section 1.150-1(c)(4)(i) of the Treasury Regulations issued under the Code. The full proceeds of the Series 2022 Bonds will not be funded on the Closing Date. On the Closing Date, the Underwriter shall pay the Initial Advance (as such term is defined in the Series 2022 Agreement to Advance) to the Trustee in the net amount of $8,589,234.10 (representing an Initial Advance of $9,150,000.00, less $274,500.00 allocable to original issue discount and $286,265.90 allocable to the Underwriter's discount). Thereafter, the Institution may, subject to the provisions and limitations in the Series 2022 Agreement to Advance, submit requests for disbursements to the Series 2022 Initial Bondholder for advances of Series 2022 Bond proceeds. The Series 2022 Initial Bondholder agrees, so long as no default or Event of Default shall have occurred under the Indenture and be continuing, to make advances of the Series 2022 Bond proceeds, which advances shall be deposited in the Series 2022 Bonds Project Account of the Project Fund for the purpose of paying Project Costs related to the Series 2022 Bonds, and to the Series 2022 Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, in accordance with the provisions of the Series 2022 Agreement to Advance and the Indenture. In no event shall the Series 2022 Initial Bondholder be required to (i) make advances of Series 2022 Bond Proceeds in excess of the Authorized Principal Amount of the Series 2022 Bonds; or (ii) make any advances of Series 2022 Bond proceeds that would cause the total amount of proceeds of the Series 2022 Bonds (net of the original issue discount) deposited into certain funds and accounts established under the Indenture to exceed certain maximum amounts set forth in the Series 2022 Agreement to Advance.

If Series 2022 Bonds in an amount equal to the Authorized Principal Amount have not been issued on or before the Series 2022 Project Completion Date, then the Bondholder Representative shall be entitled to revise the mandatory Sinking Fund Installment schedule set forth in the Indenture by reducing the Sinking Fund Installments for the Series 2022 Bonds, on a pro rata basis (rounded to the nearest Authorized Denomination) by the amount of the Series 2022 Bond proceeds not advanced under the Indenture. The revised Sinking Fund Installment schedule shall be calculated by the Bondholder Representative and such revised Sinking Fund Installment schedule shall be accompanied by an opinion of Nationally Recognized Bond Counsel to the effect that the substitution of such schedule in lieu of the then existing schedule will not adversely affect the exclusion of interest on the Series 2022 Bonds for federal income tax purposes. The Bondholder Representative shall provide a copy of such calculation and opinion of Nationally Recognized Bond Counsel to the Trustee. Until the Trustee receives such calculation and opinion from the Bondholder Representative, it may consider the schedule as set forth in the Indenture as unchanged.

Each Series 2022 Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Series 2022 Bond and only upon the books of the Issuer, which shall be kept for the purpose at the designated corporate trust office of the Trustee, by the Holder thereof in person or by his duly authorized attorney-in-fact, upon surrender of such Series 2022 Bond together with a written instrument of transfer in the form appearing on such Series 2022 Bond duly executed by the registered Holder or his duly authorized attorney-in-fact. Upon the transfer of any Series 2022 Bond, the Trustee shall prepare and issue in the name of the transferee one or more new Series 2022 Bonds of the same aggregate principal amount, as the surrendered Series 2022 Bond.

Any Series 2022 Bond, upon surrender thereof at the designated corporate trust office of the Trustee in the City with a written instrument of transfer in the form appearing on such Series 2022 Bond, duly executed by the registered Holder or his duly authorized attorney-in-fact, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of Series 2022 Bonds of any other Authorized Denominations. However, the Trustee will not be required to (i) transfer or exchange any Series 2022 Bonds during the period between a Record Date and the following Interest Payment Date or during the period of 15 days next preceding any day for the selection of Series 2022 Bonds to be redeemed, or (ii) transfer or exchange any Series 2022 Bonds selected, called or being called for redemption in whole or in part.

The Issuer, the Bond Registrar, the Trustee, and any Paying Agent may deem and treat the Person in whose name any Series 2022 Bond shall be registered as the absolute Holder of such Series 2022 Bond, whether such Series 2022 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, Sinking Fund Installments for, and interest on such Series 2022 Bond and for all other purposes, and all payments made to any such registered Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Series 2022 Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee, or any Paying Agent shall be affected by any notice to the contrary.

Upon receipt by the Trustee of the written consent of 100% of the Beneficial Owners of the Series 2022 Bonds and an opinion of Nationally Recognized Bond Counsel providing that the actions described in the Indenture will not result in the interest on any of the Bonds to cease to be excluded from gross income for federal income tax purposes under the Code, the Trustee shall exchange (i) all Outstanding Series 2022 Bonds for two or more serial and/or term Series 2022 Bonds, as directed by the Beneficial Owners of such Series 2022 Bonds, in such principal amounts, bearing interest at such rates, maturing on such dates and being subject to mandatory sinking fund redemption on such dates as are specified in such written direction; provided, however, that (A) the aggregate principal amount of such serial and/or term Series 2022 Bonds shall be less than or equal to the aggregate principal amount of all Series 2022 Bonds Outstanding immediately prior to such exchange, and (B) the overall debt service on such serial and/or term Series 2022 Bonds shall be less than or equal to the overall debt service on the Series 2022 Bonds Outstanding immediately prior to such exchange. Any such exchanged Series 2022 Bonds shall be issued in book-entry only form with DTC, and the expenses associated with reissuance, obtaining new CUSIP numbers and DTC registration, obtaining the opinion of Nationally Recognized Bond Counsel and other opinions, and the reasonable fees and expenses of the Trustee shall be paid by the Beneficial Owners of the Series 2022 Bonds.

Payment of Principal and Interest

The Issuer shall, from the sources provided for in the Indenture, pay the principal and Redemption Price of, and Sinking Fund Installments for the Series 2022 Bonds, together with interest accrued thereon, at the place, on the dates and in the manner provided in the Indenture and in the Series 2022 Bonds by check or draft or wire transfer of immediately available funds at maturity or upon earlier redemption to the Persons in whose names such Series 2022 Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof; provided, however, that the payment in full of any Series 2022 Bond either at final maturity or upon redemption in whole shall only be payable upon presentation and surrender of such Series 2022 Bonds at the designated corporate trust office of the Trustee, as trustee and paying agent (the "*Paying Agent*").

The interest payable on each Series 2022 Bond on any Interest Payment Date shall be paid by the Trustee to the Holder of such Series 2022 Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (i) by check or draft mailed to such registered Holder at such Person's address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such Holder, or (ii) if such Series 2022 Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any Holder of Series 2022 Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

Interest on any Series 2022 Bond that is due and payable but not paid on the date due ("*Defaulted Interest*") shall cease to be payable to the Holder of such Series 2022 Bond as of the relevant Record Date and shall be payable to the Holder in whose name such Series 2022 Bond is registered at the close of business on a special record date (the "*Special Record Date*") for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. It is provided in the Loan Agreement that the Institution shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2022 Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Money deposited with the Trustee on account of Defaulted Interest shall be held in trust for the benefit of the Holders of the Series 2022 Bonds entitled to such Defaulted Interest as provided in the Indenture. Following receipt of such funds, the Trustee shall fix the Special Record Date for the payment of such Defaulted

Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment, and not less than 10 days after the receipt of such funds by the Trustee. The Trustee shall promptly notify the Institution of such Special Record Date and, in the name and at the expense of the Institution, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder of a Series 2022 Bond entitled to such notice at the address of such Holder as it appears on the bond registration books not less than 10 days prior to such Special Record Date.

Redemption Provisions

General Optional Redemption

The Series 2022 Bonds shall be subject to redemption, on or after December 1, 2032, in whole or in part at any time at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to the terms of the Loan Agreement), at the Redemption Price of 100% of the principal amount of the Series 2022 Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

Extraordinary Redemption

The Bonds, including the Series 2022 Bonds, are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to the terms of the Loan Agreement), as a whole on any date, upon notice or waiver of notice as provided in the Indenture, at a Redemption Price of 100% of the unpaid principal amount thereof plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(a) The Facility and/or the Collateral Mortgaged Property shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (i) the Facility and/or the Collateral Mortgaged Property cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (ii) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility and/or the Collateral Mortgaged Property for a period of one year from the date of such damage or destruction, or (iii) the restoration cost of the Facility and/or the Collateral Mortgaged Property would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction, plus any other amounts made available for the restoration thereof by or on behalf of the Institution; or

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

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

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

Mandatory Sinking Fund Installment Redemption

The Series 2022 Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in the Indenture.

Sinking Fund Installment Payment Date (December 1)	Sinking Fund Installment	Sinking Fund Installment Payment Date (December 1)	Sinking Fund Installment
2024	$155,000	2039	$ 370,000
2025	150,000	2040	405,000
2026	170,000	2041	425,000
2027	180,000	2042	455,000
2028	190,000	2043	490,000
2029	185,000	2044	520,000
2030	215,000	2045	555,000
2031	215,000	2046	585,000
2032	240,000	2047	635,000
2033	255,000	2048	670,000
2034	275,000	2049	715,000
2035	305,000	2050	755,000
2036	305,000	2051	10,190,000
2037	340,000	2052*	10,855,000
2038	355,000		

* Maturity.

If Series 2022 Bonds in an amount equal to the Authorized Principal Amount with respect thereto have not been issued on or before the Series 2022 Project Completion Date, then the Bondholder Representative shall revise the mandatory Sinking Fund Installment schedule set forth above, by reducing the Sinking Fund Installments, on a pro rata basis (rounded to the nearest Authorized Denomination), by the amount of the Series 2022 Bond proceeds not advanced under the Indenture. The revised Sinking Fund Installment schedule referred to above must be calculated by the Bondholder Representative and such revised Sinking Fund Installment schedule shall be accompanied by an opinion of Nationally Recognized Bond Counsel to the effect that the substitution of such schedule in lieu of the then existing schedule will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes. The Bondholder Representative shall provide a copy of such calculation and opinion of Nationally Recognized Bond Counsel to the Trustee. Until the Trustee receives such calculation and opinion from the Bondholder Representative, it may consider the schedule as set forth above unchanged. If any redemption shall occur pursuant to the Indenture, the mandatory Sinking Fund Installment schedule set forth above shall be revised accordingly by the Bondholder Representative to reflect the reduction of the amount of Bonds then Outstanding as a result of such redemption and such schedule shall be provided to the Issuer and the Trustee.

Mandatory Redemption from Excess Proceeds and Certain Other Amounts

(i) The Series 2022 Bonds shall be redeemed at any time in whole or in part, by lot, prior to maturity in the event and to the extent excess Series 2022 Bond proceeds shall remain after the completion of the Series 2022 Project, at a Redemption Price equal to 100% of the principal amount of the Series 2022 Bonds to be redeemed, together with interest accrued thereon to the date of redemption;

(ii) The Bonds, including the Series 2022 Bonds, shall be redeemed at any time in whole or in part, and if in part on a pro rata basis among all Bonds Outstanding, prior to maturity in the event and to the extent:

(A) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and the Indenture;

(B) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personality (as such terms are defined in the Indenture); or

(C) certain funds received by the Institution pursuant to the Loan Agreement which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for completion of the Project or related Project Costs, except any Grant Proceeds, which shall be used by the Institution to redeem Bonds,

in each case at a Redemption Price equal to 100% of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

Mandatory Redemption Upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance

The Bonds, including the Series 2022 Bonds, are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event (i) the Issuer shall determine that (A) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations, (B) the Institution, any Principal of the Institution, or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement, (C) any Conduct Representation is false, misleading, or incorrect in any material respect at any date, as if made on such date, or (D) a Required Disclosure Agreement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in the Indenture, at the Redemption Price of 100% of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

Mandatory Taxability Redemption

Upon the occurrence of a Determination of Taxability, the Series 2022 Bonds shall be redeemed prior to maturity on any date within 120 days following such Determination of Taxability, at a Redemption Price equal to 105% of the principal amount thereof, together with unpaid accrued interest at the Taxable Rate from the occurrence of the Event of Taxability to the date of redemption. The Series 2022 Bonds shall be redeemed in whole unless redemption of a portion of the Series 2022 Bonds Outstanding would have the result that interest payable on the Series 2022 Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Series 2022 Bond. In such event, the Series 2022 Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

General Redemption Provisions

In the event of redemption of less than all the Outstanding Series 2022 Bonds, the particular Series 2022 Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair, except that (i) Series 2022 Bonds to be redeemed from Sinking Fund Installments shall be redeemed by lot, and (ii) to the extent practicable, the Trustee shall select Series 2022 Bonds for redemption such that no Series 2022 Bond shall be of a denomination of less than the Authorized Denomination. In the event of redemption of less than all the Outstanding Series 2022 Bonds, if the Series 2022 Bonds are stated to mature on different dates, the principal amount to be redeemed shall be applied, as directed by the Institution, in inverse order of maturity and by lot within a maturity. The portion of Series 2022 Bonds to be redeemed in part shall be in the principal amount of the minimum Authorized Denomination thereof or some integral multiple thereof and, in selecting Series 2022 Bonds for redemption, the Trustee shall treat each such Series 2022 Bond as representing that number of Series 2022 Bonds which is obtained by dividing the principal amount of such registered Series 2022 Bond by the minimum Authorized

Denomination thereof (referred to below as a "*unit*") then issuable rounded down to the integral multiple of such minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Series 2022 Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2022 Bond shall forthwith surrender such Series 2022 Bond to the Trustee for (A) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (B) delivery to such Holder of a new Series 2022 Bond or Series 2022 Bonds in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Series 2022 Bond. New Series 2022 Bonds representing the unredeemed balance of the principal amount of such Series 2022 Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Series 2022 Bond of a denomination greater than a unit shall fail to present such Series 2022 Bond to the Trustee for payment and exchange as aforesaid, such Series 2022 Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

When redemption of any Series 2022 Bonds is requested or required pursuant to the Indenture, the Trustee shall give notice of such redemption in the name of the Issuer, specifying the CUSIP number, Series 2022 Bond numbers, the date of original issue, the date of mailing of the notice of redemption, maturity, interest rate and principal amount of the Series 2022 Bonds or portions thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amount of the Series 2022 Bonds or portions thereof to be payable and, if less than all of the Series 2022 Bonds are to be redeemed, the numbers of such Series 2022 Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each Series 2022 Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Issuer, (i) shall mail a copy of such notice by first class mail, postage prepaid, not more than 60 nor less than 30 days prior to the date fixed for redemption, to the registered Holders of any Series 2022 Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series 2022 Bonds with respect to which proper mailing was effected, and (ii) cause notice of such redemption to be sent to the national information service that disseminates redemption notices. Any notice mailed as provided in the Indenture shall be conclusively presumed to have been duly given, whether or not the registered Holder receives the notice. In the event of a postal strike, the Trustee shall give notice by other appropriate means selected by the Trustee in its discretion. If any Series 2022 Bond shall not be presented for payment of the Redemption Price within 60 days of the redemption date, the Trustee shall mail a second notice of redemption to such Holder by first class mail, postage prepaid. Any amounts held by the Trustee due to non-presentment of Series 2022 Bonds for payments on or after any redemption date shall be retained by the Trustee for a period of at least one year after the final maturity date of such Series 2022 Bonds. Further, if any Holders of Series 2022 Bonds shall constitute registered depositories, the notice of redemption described in the Indenture shall be mailed to such Holders at least two days prior to the mailing of such notice to all Holders.

If notice of redemption shall have been given as aforesaid, the Series 2022 Bonds called for redemption shall become due and payable on the redemption date; provided, however, that with respect to any optional redemption of the Series 2022 Bonds, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on the Series 2022 Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Series 2022 Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of the Series 2022 Bonds so called for redemption at the place or places of payment, such Series 2022 Bonds shall be redeemed.

Under no circumstances shall the Trustee be required to expend any of its own funds for any purpose for which funds are to be disbursed under the Indenture.

SO LONG AS CEDE & CO. IS THE HOLDER OF THE SERIES 2022 BONDS, ALL PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF, SINKING FUND INSTALLMENTS FOR, AND INTEREST ON THE SERIES 2022 BONDS WILL BE MADE DIRECTLY TO DTC. DISBURSEMENT OF SUCH PAYMENTS TO DIRECT PARTICIPANTS (AS HEREINAFTER DEFINED) WILL BE THE RESPONSIBILITY OF DTC, AND DISBURSEMENT OF SUCH PAYMENTS TO BENEFICIAL OWNERS (AS HEREINAFTER DEFINED) WILL BE THE RESPONSIBILITY OF THE DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS (AS HEREINAFTER DEFINED). SEE "BOOK-ENTRY ONLY SYSTEM" HEREIN.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued in the aggregate principal amount of the Series 2022 Bonds, and will be deposited with DTC. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing, Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2022 Bonds under the DTC system must be made by or through Direct Participants, will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bond ("*Beneficial Owner*") is in turn to be recorded in the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2022 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices

of significant events with respect to the Series 2022 Bonds, such as redemptions, defaults and proposed amendments to bond documents. For example, Beneficial Owners of Series 2022 Bonds may wish to take certain that the nominee holding the Series 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2022 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2022 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2022 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, sinking fund installments, Redemption Prices and interest on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Trustee on a payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, Sinking Fund Installments, interest and Redemption Prices to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2022 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

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

Under the Indenture, payments made by the Trustee to DTC or its nominee will satisfy the Issuer's obligations under the Indenture and the Institution's obligations under the Loan Agreement and the Series 2022 Promissory Note, to the extent of the payments so made.

Prior to any discontinuation of the book-entry only system described above, the Trustee and the Issuer may treat DTC or its nominee, Cede & Co., as, and deem DTC or its nominee, Cede & Co., to be, the absolute owner of the Series 2022 Bonds for all purposes whatsoever, including, without limitation: (i) the payment of principal of, Sinking Fund Installments for, and Redemption Price of, and interest on the Series 2022 Bonds; (ii) giving notices of redemption and other matters with respect to the Series 2022 Bonds; (iii) registering transfers with respect to the Series 2022 Bonds; and (iv) the selection of Series 2022 Bonds for redemption.

NONE OF THE ISSUER, THE TRUSTEE, THE INSTITUTION, THE UNDERWRITER OR THE BONDHOLDER REPRESENTATIVE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION WITH

RESPECT TO (I) THE ACCURACY OF THE RECORDS OF DTC, ITS NOMINEE OR ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT WITH RESPECT TO ANY BENEFICIAL OWNERSHIP INTEREST IN ANY SERIES 2022 BOND, (II) THE DELIVERY TO ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN AN OWNER, AS SHOWN IN THE SERIES 2022 BOND REGISTER, OF ANY NOTICE WITH RESPECT TO ANY SERIES 2022 BOND, INCLUDING, WITHOUT LIMITATION, ANY NOTICE OF REDEMPTION OR ANY EVENT WHICH WOULD OR COULD GIVE RISE TO AN OPTION WITH RESPECT TO ANY SERIES 2022 BOND, (III) THE PAYMENT OF ANY DTC PARTICIPANT OR INDIRECT PARTICIPANT OR ANY OTHER PERSON, OTHER THAN AN OWNER, AS SHOWN IN THE SERIES 2022 BOND REGISTER, OF ANY A MOUNT WITH RESPECT TO THE PRINCIPAL OF, SINKING FUND INSTALLMENT FOR, REDEMPTION PRICE OF, OR INTEREST ON, ANY SERIES 2022 BOND, OR (IV) ANY CONSENT GIVEN BY DTC AS HOLDER OF THE SERIES 2022 BONDS.

SECURITY FOR THE SERIES 2022 BONDS

General

Concurrently with the issuance of the Series 2022 Bonds, the Issuer will enter into the First Amendment with the Institution pursuant to which the Issuer will loan the proceeds from the sale of the Series 2022 Bonds to the Institution. The Institution will be unconditionally obligated, with respect to the Series 2022 Bonds, under the Loan Agreement and the Series 2022 Promissory Note to make payments on the 20th day of each month (or, if the 20th day shall not be a Business Day, the immediately preceding Business Day (each a "*Loan Payment Date*") to the Trustee for deposit to the Bond Fund in the amounts established under the Indenture. See "SECURITY FOR THE SERIES 2022 BONDS – The Indenture" and APPENDIX E – "LOAN AGREEMENT".

Pursuant to the Indenture, the Issuer has assigned to the Trustee all of its right, title, and interest in and to each Promissory Note and substantially all of its right, title, and interest in and to the Loan Agreement, including all rights to receive loan payments sufficient to pay the principal and Redemption Price of, Sinking Fund Installments for, and interest and all other amounts due on the Bonds, including the Series 2022 Bonds, as the same become due, to be made by the Institution pursuant to the Loan Agreement and the Promissory Notes.

The Indenture

The Trust Estate

The Issuer and the Trustee will enter into the Supplement pursuant to which the Series 2022 Bonds will be issued as Additional Bonds under the Original Indenture. The Issuer, in order to secure the payment of all Bonds, including the Series 2022 Bonds, has pledged and assigned to the Trustee pursuant to the terms of the Indenture for the benefit of the Bondholders and the Beneficial Owners, all of the following, which comprise the Trust Estate:

(a) All right, title, and interest of the Issuer in and to the Loan Agreement, including all loan payments, revenues and receipts payable or receivable or pledged thereunder, including but not limited to, Gross Revenues, and the security interest granted pursuant to the Loan Agreement (excluding the Issuer's Reserved Rights, which Issuer's Reserved Rights may be enforced by the Issuer and the Trustee, jointly or severally);

(b) All right, title, and interest of the Issuer in and to the Promissory Notes, including the Series 2022 Promissory Note;

(c) All moneys and securities from time to time held by the Trustee under the terms of the Indenture including amounts set apart and transferred to the Earnings Fund, the Project Fund, the Renewal Fund, the Bond Fund, the Debt Service Reserve Fund, or any such special fund in accordance with the provisions of the Loan Agreement and the Indenture; provided, however, there is expressly excluded from any Lien any amounts set apart and transferred to the Rebate Fund **and any moneys and securities held within an Account of the Debt Service Reserve Fund established for a particular Series of Bonds, are pledged only as security for such Series of Bonds**; and

(d) Any and all other property of every kind and nature from time to time which was or is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Indenture, including, without limitation, all conveyances, mortgages, pledges, assignments and transfers made under the Security Documents and all collateral described therein, by the Issuer or by any other Person, with or without the consent of the Issuer, to the Trustee, which is authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms of the Indenture.

The Trust Estate shall be held by the Trustee for the equal and proportionate benefit, security, and protection of all Holders and Beneficial Owners of the Bonds issued under and secured by the Indenture, without privilege, priority or distinction as to lien or otherwise of any of Bonds over any other Bonds, except as otherwise expressly provided in the Indenture. See APPENDIX D – "INDENTURE OF TRUST".

Events of Default under the Indenture

Each of the following events is defined as and constitutes an "*Event of Default*" under the Indenture with respect to all of the Outstanding Bonds, including the Series 2022 Bonds:

(a) Failure in the payment of the interest on any Bond when the same shall become due and payable;

(b) Failure in the payment of the principal or redemption premium, if any, of, or Sinking Fund Installment for, any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(c) Failure of the Issuer to observe or perform any covenant, condition or agreement in the Bonds or under the Indenture on its part to be performed (except as set forth in (a) and (b) above) and (i) continuance of such failure for more than 30 days after written notice of such failure has been given to the Issuer and the Institution specifying the nature of the same from the Trustee or the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders), or (ii) if by reason of the nature of such failure the same can be remedied, but not within the said 30 days, the Issuer or the Institution fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within 60 days of delivery of said notice; or

(d) The occurrence of an "Event of Default" under the Loan Agreement or any other Project Document.

Bondholder Representative

The initial Bondholder Representative for the Series 2022 Bonds shall be Preston Hollow Capital, LLC ("*PHC*"). PHC shall serve as the Bondholder Representative until (i) it resigns as the Bondholder Representative in accordance with the provisions of the Indenture or (ii) both (A) PHC and its Affiliates, together, are the Holders or Beneficial Owners of less than 25% of the aggregate principal amount of the Outstanding Bonds, and (B) PHC is removed as the Bondholder Representative in accordance with the provisions of the Indenture.

The Bondholder Representative (i) shall have such rights as are set forth in the Indenture and the Security Documents, and (ii) shall be the sole representative of the Holders of the Bonds to give any consents, waivers, authorizations or approvals under the Indenture, exercise any rights or direct remedies under the Indenture, or take any other action as may be taken by the Holders under the Indenture.

So long as PHC and its Affiliates, together, are the Holders or Beneficial Owners of 25% or more of the aggregate principal amount of the Outstanding Bonds, PHC may not be removed as Bondholder Representative. During any period in which PHC and its Affiliates, together, are not the Holders or Beneficial Owners of 25% or more of the aggregate principal amount of the Outstanding Bonds, the Majority Holders may remove PHC as the Bondholder Representative, by giving signed, written notice of such removal to the Issuer, the Trustee, the Institution and PHC, which removal shall become effective upon receipt of such written notice by the Issuer, the Trustee, the Institution and PHC. The Bondholder Representative may at any time resign by giving at least 30 days' written notice of such

resignation to the Issuer, the Trustee and the Institution. Upon removal or resignation of the Bondholder Representative, the Majority Holders may, but shall not be required to, appoint a successor Bondholder Representative, by giving signed, written notice of such appointment to the Issuer, the Trustee and the Institution, which appointment shall become effective upon receipt of such written notice by the Issuer, the Trustee and the Institution.

At any time that the Bondholder Representative is called upon to make a decision, PHC and each of its Affiliates must certify in writing to the Issuer and the Trustee the amount of Bonds then held by each entity and must further certify in writing to the Issuer and the Trustee that each affiliate is an Affiliate of PHC. It is expressively acknowledged and agreed that the Issuer and the Trustee may conclusively rely on the foregoing certification.

Notwithstanding any other provision in the Indenture to the contrary, any discretionary action on the part of the Trustee contained in the Indenture or in any Project Document, including, without limitation, any consent or waiver under the Indenture or any Project Document, shall require the prior written consent of the Bondholder Representative, and the Trustee agrees under the Indenture to take such action, or refrain from taking such action, upon the written direction of the Bondholder Representative. If the Trustee fails to take any such action within 15 days after the written direction of the Bondholder Representative to take such action, the Bondholder Representative may, but need not, take such action. Notwithstanding the foregoing, the Trustee shall not be required to take any such action at the direction of the Bondholder Representative unless the Bondholder Representative provides indemnification to the Trustee as provided in the Indenture.

Debt Service Reserve Fund

A Debt Service Reserve Fund is established under the Indenture to be held by the Trustee, and within such Fund a Series 2022 Bonds Debt Service Reserve Account (the "*Reserve Account*"). During the Series 2022 Draw-Down Period, the Reserve Account will be funded periodically through advances made pursuant to the Series 2022 Agreement to Advance in an amount equal to the Debt Service Reserve Fund Requirement for the Series 2022 Bonds. If on any date required for the payment of interest on Series 2022 Bonds, the amount in the Interest Account of the Bond Fund available to be applied to the payment of such interest shall be less than the amount of interest then due and payable on such Series 2022 Bonds, the Trustee forthwith shall transfer moneys from the Reserve Account to the Interest Account of the Bond Fund, to the extent of amounts available in the Reserve Account, an amount equal to the amount of such deficiency. Any amount so transferred from the Reserve Account shall be applied only to the payment of interest on the Series 2022 Bonds and not to the payment of interest or any other amounts payable with respect to Bonds of any other Series.

If on any date required for the payment of principal of the Series 2022 Bonds, the amount in the Principal Account of the Bond Fund available to be applied to the payment of such principal shall be less than the amount of principal of such Series 2022 Bonds then due and payable, the Trustee forthwith shall transfer moneys from the Reserve Account to the Principal Account of the Bond Fund, to the extent of amounts available in such account in the Reserve Account, an amount equal to the amount of such deficiency. Any amount transferred from the Reserve Account shall be applied only to the payment of principal of the Series 2022 Bonds and not to the payment of principal or any other amounts payable with respect to Bonds of any other Series.

If on any date required for the payment of a Sinking Fund Installment for the Series 2022 Bonds, the amount in the Sinking Fund Installment Account of the Bond Fund available to be applied to the payment of such Sinking Fund Installment shall be less than the amount of such Sinking Fund Installment then due and payable, the Trustee forthwith shall transfer moneys from the Reserve Account to the Sinking Fund Installment Account of the Bond Fund, to the extent of amounts available in such account in the Debt Service Reserve Fund, an amount equal to the amount of such deficiency. Any amount transferred from the Reserve Account shall be applied only to the payment of Sinking Fund Installments for the Series 2022 Bonds and not to the payment of Sinking Fund Installments or any other amounts payable with respect to Bonds of any other Series.

The Trustee shall give to the Institution on or prior to each Loan Payment Date on which the Institution is obligated pursuant to the Loan Agreement to pay to the Trustee amounts in respect of any deficiency in the Reserve Account, telephonic notice (to be promptly confirmed in writing) specifying the amount of such deficiency and requesting the Institution to deliver such amount to the Trustee in accordance with the Loan Agreement The Trustee shall deposit the Reserve Account the amount so delivered by the Institution. The failure of the Trustee to deliver such

notice or any defect in such notice shall not relieve the Issuer from any of its obligations hereunder or any other obligor from any of its obligations under any of the Security Documents.

In addition to the Debt Service Reserve Fund, the following funds are established under the Indenture: the Project Fund, the Bond Fund, the Renewal Fund, the Earnings Fund and the Rebate Fund. For a detailed discussion of the Project Fund, the Bond Fund, the Renewal Fund, the Earnings Fund and the Rebate Fund and the accounts created thereunder, see APPENDIX D – "INDENTURE OF TRUST".

Investment of Funds and Accounts

Amounts in any Fund or Account established under the Indenture may, if and to the extent then permitted by law, be invested only in Qualified Investments provided that any Qualified Investment shall not have a maturity date greater than five years from the date of the making of such investment unless such Qualified Investment may be put at par at any time at the option of the Holder thereof. Any investment authorized by the Indenture is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. In particular, unexpended Bond proceeds transferred from the Project Fund (or from the Earnings Fund with respect to amounts deposited therein from the Project Fund) to the Redemption Account of the Bond Fund pursuant to the Indenture may not be invested at a Yield (as defined in the Tax Certificate) which is greater than the Yield on the applicable Series of Bonds. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the Institution; and if such investment is to be in one or more certificates of deposit, investment agreements, or guaranteed investment contracts, then such written request shall include written assurance to the effect that such investment complies with the Tax Certificate. Any investment under the Indenture shall be made in accordance with the Tax Certificate, and the Institution shall so certify to the Trustee with each such investment direction as required under the Indenture. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall be credited and losses charged to (i) the Rebate Fund with respect to the investment of amounts held in the Rebate Fund, (ii) the Accounts of the Bond Fund with respect to the investment of amounts held in such Accounts of the Bond Fund, and (iii) the Earnings Fund with respect to the investment of amounts held in any other Fund.

See APPENDIX D – "INDENTURE OF TRUST".

Mortgage

The Series 2022 Bonds are further secured by a Lien on Gross Revenues of the Institution, pursuant to the Loan Agreement, and by mortgage liens on and security interests in the Institution's fee and leasehold interests in the Series 2022 Facility and the Series 2022 Collateral Mortgaged Property (collectively, the "*Mortgaged Property*") pursuant to a Mortgage and Security Agreement (Building Loan), a Mortgage and Security Agreement (Indirect Loan), and a Collateral Mortgage and Security Agreement, each dated as of June 1, 2022 (as each of the same may hereafter be amended or supplemented, collectively the "*Mortgage*"), and each from the Institution to the Trustee for the benefit of the Holders of the Series 2022 Bonds. The Lien on the Mortgaged Property securing the Series 2022 Bonds is on parity with a Lien granted by the Institution to secure the Institution's obligations with respect to the Series 2018 Bonds. The Mortgage is subject to Permitted Encumbrances. See APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION – CORPORATE ORGANIZATION AND INSTITUTIONAL CONTROL – Real Estate" and APPENDIX E – "LOAN AGREEMENT".

IN NO EVENT SHALL ANY OBLIGATIONS OF THE ISSUER UNDER THE INDENTURE OR THE SERIES 2022 BONDS OR UNDER THE LOAN AGREEMENT OR UNDER ANY OTHER SECURITY DOCUMENT OR RELATED DOCUMENT FOR THE PAYMENT OF MONEY CREATE A DEBT OF THE STATE OR THE CITY AND NEITHER THE STATE NOR THE CITY SHALL BE LIABLE. ON ANY OBLIGATION SO INCURRED, BUT ANY SUCH OBLIGATION SHALL BE A SPECIAL LIMITED REVENUE OBLIGATION OF THE ISSUER SECURED AND PAYABLE SOLELY AS PROVIDED IN THE INDENTURE.

No Sale or Disposition of the Project

The Institution shall not sell, assign, encumber (other than Permitted Encumbrances), convey or otherwise dispose of its fee title or leasehold title, as applicable, to or interest in the Facility, or any part of the Facility or interest therein, except as set forth in the Loan Agreement, without (i) the prior written consents of the Issuer and of the Trustee (given at the written direction of the Bondholder Representative), and (ii) the Institution delivering to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that such action pursuant to the Loan Agreement will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income taxes. Any purported disposition without such consents and opinion shall be void. See APPENDIX E – "LOAN AGREEMENT".

No Transfer or Merger

The Institution covenants and agrees that at all times during the term of the Loan Agreement it will: (i) maintain its existence as a not-for-profit corporation constituting a Tax-Exempt Organization; (ii) continue to be subject to service of process in the State; (iii) continue to be organized under the laws of, or qualified to do business in, the State; (iv) not liquidate, wind up, dissolve, sell, or otherwise dispose of all or substantially all of its property, business or assets remaining after the Closing Date except as provided in the Loan Agreement; (v) not consolidate with or merge into another Entity or permit one or more Entities to consolidate with or merge into it except as provided in the Loan Agreement; and (vi) not change or permit the change of any Principal of the Institution, or a change in the relative Control of the Institution of any of the existing Principals except as provided in the Loan Agreement. See APPENDIX E – "LOAN AGREEMENT".

Certain Financial Covenants of the Institution

The Institution is required under the Loan Agreement to meet a Days Cash on Hand Requirement and a Debt Service Coverage Ratio Requirement for each Semi-Annual Period.

"*Days Cash on Hand Requirement"* means for the Semi-Annual Periods ending June 30 and December 31, 2022, at least forty (40) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2023, at least forty-five (45) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2024, at least fifty (50) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2025, at least fifty-five (55) Days Cash on Hand and for each Semi-Annual Period from the Semi-Annual Period ending June 30, 2026 through the date of final maturity of the Bonds (or earlier date of redemption of the last outstanding Bond), at least sixty (60) Days Cash on Hand.

"*Debt Service Coverage Ratio Requirement*" means for the Semi-Annual Period ending June 30, 2022, a Debt Service Coverage Ratio of at least 1.20:1 and for the Semi-Annual Period ending December 31, 2022 and for each Semi-Annual Period thereafter through the date of final maturity of the Bonds (or earlier date of redemption of the last outstanding Bond), a Debt Service Coverage Ratio of at least 1.30:1.

"*Semi-Annual Period(s)*" means (a) the period commencing on January 1 of a Fiscal Year and ending on June 30 of such Fiscal Year, and (b) the period commencing on July 1 of a Fiscal Year and ending on December 31 of such Fiscal Year.

See APPENDIX C – "DEFINITIONS OF CERTAIN TERMS IN THE INDENTURE AND THE LOAN AGREEMENT" and APPENDIX E – "LOAN AGREEMENT" for further information regarding the calculation of the Days Cash on Hand Requirement and the Debt Service Coverage Ratio Requirement, and the applicable provisions of the Loan Agreement if the Institution were to fail to meet either such Requirement.

Additional Indebtedness

Under the provisions of and subject to the conditions set forth in the Indenture, the Issuer is authorized to enter into a Supplemental Indenture and issue one or more series of Additional Bonds on a parity with any Outstanding Bonds, including the Series 2018 Bonds and the Series 2022 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 the Facility in the event of damage, destruction, or taking by eminent domain, (iii) providing extensions,

additions, or improvements to the Facility, or (iv) refunding Outstanding Bonds. If the Institution is not in default under the Loan Agreement or under any other Project Document, the Issuer will consider the issuance of a Series of Additional Bonds in a principal amount as is specified in a written request of an Authorized Representative of the Institution in accordance with the applicable provisions set forth in the Indenture.

Each Series of Additional Bonds issued pursuant to the Indenture shall be equally and ratably secured under the Indenture with any Bonds Outstanding, if any, issued pursuant to the Indenture without preference, priority or distinction of any Bonds over any other Bonds except as expressly provided in or permitted by the Indenture. No Series of Additional Bonds shall be issued unless the Promissory Notes, the Loan Agreement, the Mortgage, and the other Security Documents are in effect and, at the time of issuance, there is no Default or Event of Default. No obligations senior in payment priority to the Bonds shall be issued or incurred by the Institution or the Issuer on behalf of the Intuition at any time while the Bonds are Outstanding and no obligations on a parity with the Bonds shall be issued or incurred by the Institution or the Issuer on behalf of the Intuition except for Additional Bonds that are issued pursuant to and in accordance with the provisions of the Indenture. See "SECURITY FOR THE SERIES 2022 BONDS – The Indenture", APPENDIX D – "INDENTURE OF TRUST" and APPENDIX E – "LOAN AGREEMENT".

Special Limited Obligations

THE SERIES 2022 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, SINKING FUND INSTALLMENTS, REDEMPTION PRICE, AND INTEREST SOLELY FROM THE PAYMENTS MADE BY THE INSTITUTION UNDER THE LOAN AGREEMENT AND THE SERIES 2022 PROMISSORY NOTE, AND FROM THE TRUST ESTATE. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, SINKING FUND INSTALLMENTS FOR, OR THE INTEREST ON, THE SERIES 2022 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, IS PLEDGED TO SUCH PAYMENT OF THE SERIES 2022 BONDS. THE SERIES 2022 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN WHOSE PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE SERIES 2022 BONDS WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF SINKING FUND INSTALLMENTS FOR, OR THE INTEREST ON, THE SERIES 2022 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE, OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

[Remainder of this page intentionally left blank.]

ANNUAL BOND DEBT SERVICE REQUIREMENTS

The following table sets forth, for each 12-month period ending December 31 of the years shown, the amounts, rounded to the nearest dollar, required to be made available in such period for the payment of the principal of and interest on the Series 2022 Bonds and the Institution's other outstanding long-term indebtedness.

		Series 2022 Bonds*		
Period Ending (December 31)	Existing Debt Service	Principal	Interest	Total Debt Service
2022	$9,381,900	-	$ 249,465	$ 9,631,365
2023	9,399,831	-	2,025,400	11,425,231
2024	9,380,669	$ 155,000	2,025,400	11,561,069
2025	9,396,100	150,000	2,015,325	11,561,425
2026	9,383,863	170,000	2,005,575	11,559,438
2027	9,385,094	180,000	1,994,525	11,559,619
2028	9,383,656	190,000	1,982,825	11,556,481
2029	9,404,269	185,000	1,970,475	11,559,744
2030	9,385,219	215,000	1,958,450	11,558,669
2031	9,398,206	215,000	1,944,475	11,557,681
2032	9,385,981	240,000	1,930,500	11,556,481
2033	9,389,375	255,000	1,914,900	11,559,275
2034	9,386,956	275,000	1,898,325	11,560,281
2035	9,373,469	305,000	1,880,450	11,558,919
2036	9,393,888	305,000	1,860,625	11,559,513
2037	9,380,669	340,000	1,840,800	11,561,469
2038	9,384,950	355,000	1,818,700	11,558,650
2039	9,395,019	370,000	1,795,625	11,560,644
2040	9,384,750	405,000	1,771,575	11,561,325
2041	9,389,413	425,000	1,745,250	11,559,663
2042	9,387,319	455,000	1,717,625	11,559,944
2043	9,382,881	490,000	1,688,050	11,560,931
2044	9,385,256	520,000	1,656,200	11,561,456
2045	9,383,025	555,000	1,622,400	11,560,425
2046	9,385,331	585,000	1,586,325	11,556,656
2047	9,375,756	635,000	1,548,300	11,559,056
2048	9,383,713	670,000	1,507,025	11,560,738
2049	9,381,963	715,000	1,463,475	11,560,438
2050	9,384,625	755,000	1,417,000	11,556,625
2051	-	10,190,000	1,367,925	11,557,925
2052	-	10,855,000	705,575	11,560,575

[*Remainder of this page intentionally left blank*.]

* The Institution is authorized to draw down up to the full par amount of the Series 2022 Bonds (less an original issue discount of $934,800), although only $9,150,000 (less an allocable portion of the original issue discount in the amount of $274,500) will be drawn on the Closing Date. Debt Service on the Series 2022 Bonds shown assumes that the Series 2022 Bonds will be fully drawn on the anticipated draw-down schedule for the Series 2022 Project.

BONDHOLDERS' RISKS

Some of the identifiable risks which should be considered when making an investment decision regarding the Series 2022 Bonds are discussed below. The discussion herein of risks to owners of the Series 2022 Bonds is not intended as dispositive, comprehensive or definitive, but rather is intended to summarize certain matters which could affect payment on the Series 2022 Bonds. The risks discussed below should be read in conjunction with APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION" and the discussion set forth under the caption "REGULATION OF THE HEALTH CARE INDUSTRY" below. Other sections of this Limited Offering Memorandum, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the designated corporate trust office of the Trustee. The operations and financial condition of the Institution may be affected by factors other than those described in this section and "REGULATION OF THE HEALTH CARE INDUSTRY" below and elsewhere in this Limited Offering Memorandum. No assurance can be given as to the nature of such factors or the potential effects thereof on the Institution.

General

Except as noted herein under "SECURITY FOR THE SERIES 2022 BONDS" and "ANNUAL SERIES 2022 BOND DEBT SERVICE REQUIREMENTS", the Series 2022 Bonds are payable solely from loan repayments made by the Institution pursuant to the Loan Agreement and payments made by the Institution under the Series 2022 Promissory Note. No representation or assurance can be made that revenues will be realized by the Institution in amounts sufficient to make the payments under the Loan Agreement or the Series 2022 Promissory Note.

The revenues and expenses of the Institution are subject to, among other things, the capabilities of management, the confidence of physicians in management, the availability of physicians and trained support staff, changes in the population or the economic condition of the Institution's service area, the level of and restrictions on federal funding of Medicare and federal and state funding of Medicaid, the imposition of government wage and price controls, the demand for services, increased competition, reduced third-party reimbursement rates or delays in payment, government regulations and licensing requirements, continued federal and state funding, future economic conditions and other conditions which are unpredictable and may not be quantifiable or determinable at this time. No representation or assurance is given or can be made that revenues will be realized by the Institution in amounts sufficient to pay debt service on the Series 2022 Bonds and the Series 2022 Promissory Note when due and to make payments necessary to meet the other obligations of the Institution.

The discussion herein describes risks related to certain existing federal and state laws, regulations, rules and governmental administrative policies and determinations to which the Institution and the health care industry are subject. Several of the federal statutes and regulations described herein may be substantially modified or repealed in whole or in part. The scope and effect of future legislation or judicial action cannot be predicted and there are no assurances that any such future legislation or judicial action will not have a material adverse impact on the Institution's business or financial condition. In addition to statutory changes or judicial action, regulatory changes and executive actions could have a material adverse impact on the Institution's business or financial condition. Accordingly, it is possible that the significant risk areas summarized under this caption "SERIES 2022 BONDHOLDERS' RISKS" will undergo significant change in the near term.

ADVERSE CONSEQUENCES ARISING FROM ONE OR MORE OF THE FOLLOWING RISKS, OR THE OCCURRENCE OF OTHER UNANTICIPATED EVENTS, COULD ADVERSELY AFFECT THE OPERATIONS OR FINANCIAL PERFORMANCE OF THE INSTITUTION. THIS DISCUSSION IS NOT, AND IS NOT INTENDED TO BE, EXHAUSTIVE. THE RISKS DISCUSSED SHOULD BE READ IN CONJUNCTION WITH THE DISCUSSION SET FORTH IN APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION" AND THE DISCUSSION APPEARING UNDER THE CAPTION "REGULATION OF THE HEALTH CARE INDUSTRY" BELOW AND THE INFORMATION APPEARING ELSEWHERE IN THIS LIMITED OFFERING MEMORANDUM.

COVID-19 Pandemic

General

The COVID-19 pandemic has had, and continues to have, numerous and varied medical, economic, and social impacts, any and all of which may adversely affect the Institution's business and financial condition. National, state, and local governments have taken, and may continue to take, various actions, including the passage of laws and regulations, on a wide array of topics, in an attempt to slow the spread of COVID-19 and to address the health and economic consequences of the outbreak. Many of these government actions have caused substantial changes to the way health care is provided and how society in general functions. Although COVID-19 vaccines began being administrated in the U.S. in December of 2020, it is impossible to predict what percentage of the population will ultimately be vaccinated, the duration of vaccine protection, and whether current vaccines will protect against new COVID-19 variants. Accordingly, it is not clear how long public health safety measures will remain in place or whether any new measures will be required.

It is generally expected that the overall impact of the COVID-19 pandemic on the U.S. economy will continue to be broad based and materially adverse. The ultimate effect of the pandemic on the operations and financial condition of the Institution cannot be predicted at this time due to the dynamic nature of the outbreak, including uncertainties relating to its duration and severity, and the future actions of governmental authorities to contain or mitigate its impact, though such effect could be material and adverse.

Operational Disruption

The COVID-19 pandemic has affected the Institution's ability to conduct normal business operations and, as a result, the operations, financial condition and financial performance of the Institution has been, and may continue to be, adversely affected in significant ways. In order to reduce the spread of the virus, many state and local governments previously issued general "stay at home" or "shelter in place" orders that mandated social distancing, suspended elective surgeries and other non-emergency medical services, closed school systems and closed or limited non-essential business activities in an effort to slow the spread of COVID-19. As vaccination rates have increased in recent months, many states have begun the process of easing public health restrictions to allow more economic activity to take place. However, re-implementation of certain restrictions has occurred in some states due to spikes in positive COVID-19 cases and hospitalizations. Mitigation measures, such as self-quarantines, stay-at-home/shelter-in-place orders, and suspension of voluntary procedures and surgeries had, and may continue to have, an adverse impact on the operations and financial position of health care provider systems due to increased costs, potential reduction in overall patient volume and shifts in payor mix. Even if such vaccinations and/or sustained public health measures help reduce the rate of increase in COVID-19 cases in the near term, public health measures may need to be sustained for prolonged periods of time to be effective in controlling and reducing the transmission of COVID-19.

The U.S. Department of Health and Human Services Centers for Medicare & Medicaid Services ("*CMS*") issued guidance in March 2020 that all elective surgeries and procedures, including medical and dental, should be postponed nationwide to mitigate the burden on health systems due to increasing COVID-19 incidence and to preserve necessary facilities, equipment, supplies (including personal protective equipment), and personnel needed to treat COVID-19 patients. Several state and local governments, including New York, subsequently issued directives, in varying forms, mandating such postponement. Although the restrictions on elective procedures were gradually lifted, the restrictions adversely affected the revenues of health care providers. It cannot be predicted whether progression of the COVID-19 pandemic will require that similar or new restrictions be implemented in the future.

The treatment of COVID-19 or another highly contagious disease at Institution facilities, as well as governmental and commercial entity responses to the COVID-19 pandemic and resulting economic conditions, may adversely affect the Institution's operations and financial performance in various ways, including but not limited to (1) an overburdening of facilities, (2) a quarantine, temporary shutdown, or diversion of patients, (3) a disruption in the production or supply of pharmaceuticals, medical supplies and protective equipment and increases in the costs of such products, (4) professional or non-professional staff shortages or illnesses, (5) an increase in overhead costs due to additional costs incurred related to adjustments to the use of various facilities and to staffing during the outbreak, including overtime wages, mandated sick pay, and the use of more expensive contract staff to provide care, (6) significantly delayed payments from third party payors, (7) increased numbers of professional liability lawsuits, (8) a

larger number of uninsured patients due to increased unemployment rates, or (9) reduced patient volumes and operating revenues due to unaffected individuals deferring elective procedures or otherwise avoiding medical treatment. As the effects of, and responses to, the COVID-19 pandemic are far reaching and rapidly changing, the Institution cannot yet fully predict the overall related impact or costs of the COVID-19 pandemic, but such impact and costs could be material and adverse.

Vaccine Mandate

The State has mandated COVID-19 vaccination for healthcare workers. Beginning on September 27, 2021, all healthcare employees must have received their first dose of the vaccine, or have a verified medical exemption, as a condition of employment. In response to a lawsuit filed by certain healthcare professionals, challenging the vaccine mandate because the mandate does not allow for exemptions based on workers' religious beliefs, on December 13, 2021, the Supreme Court of the United States rejected the challenging healthcare professional's request for injunctive relief. The vaccine mandate has resulted in minor voluntary, or involuntary, termination of Institution employees. Staffing shortages attributable to the vaccine mandate may adversely affect the Institution's operations and financial performance.

Governmental Relief

A variety of federal efforts have been initiated in response to the economic disruption caused by the COVID-19 pandemic. On March 13, 2020, then President Trump declared a "national emergency" under both the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, which allowed access to disaster relief funds to address the COVID-19 pandemic and related economic dislocation, and the National Emergencies Act, which allowed the U.S. Department of Health and Human Services ("*DHHS*") to waive certain guidelines related to federal health care programs, including Medicare and Medicaid, to address the COVID-19 pandemic. The U.S. Congress followed by passing a series of federal relief packages to address the COVID-19 crisis, including (1) the Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020 ("*CPRSAA*"), (2) the Families First Coronavirus Response Act ("*FFA*"), (3) the Coronavirus Aid, Relief, and Economic Security Act ("*CARES Act*"), (4) Paycheck Protection Program and Health Care Enhancement Act ("*Enhancement Act*"), (5) the COVID-19 response and relief portions of the Consolidated Appropriations Act, 2021 ("*2021 Appropriations Act*"), and (6) the American Rescue Plan Act ("*American Rescue Plan*" and, collectively with the CPRSAA, FFA, CARES Act, Enhancement Act and 2021 Appropriations Act, the "*COVID-19 Relief Acts*"). The COVID-19 Relief Acts were largely designed to help fund COVID-19 testing, tracing, and treatment and to provide economic relief and other support for individuals and businesses, including hospitals and other health care providers. COVID-19 Relief Act measures that may alleviate some of the financial strain on hospitals and other health care providers include, among others: (1) a $178 billion "Public Health and Social Services Emergency Fund" to reimburse eligible health care providers for "health care related expenses or lost revenues that are attributable to coronavirus" (the "*Provider Relief Fund*"), (2) an increase in the Federal Medicaid Assistance Percentage for state Medicaid programs, and (3) various other Medicare and Medicaid policy changes that temporarily boost Medicare and Medicaid reimbursement or provide for additional flexibility in patient care during the COVID-19 emergency period. The timing, adequacy and other ultimate effects of the COVID-19 Relief Acts, or other federal or state stimulus relief programs on the Institution, or the economy generally, cannot be predicted at this time. Although the federal government may consider future COVID-19 emergency response and relief legislation, the content and passage of any such legislation is uncertain.

The acceptance of funds from certain COVID-19 stimulus programs, including the Provider Relief Fund, is conditioned on eligibility and the acceptance of terms and conditions, and may be subject to other guidelines or requirements that may change from time to time. Reporting deadlines have passed for certain distributions, and failure to timely report could result in a provider being required to return some or all of the funds received from the Provider Relief Fund. Additional guidance or clarifications concerning COVID-19 stimulus programs, including reporting, recordkeeping and repayment requirements, may be announced from time to time. Failure to comply with such guidelines or requirements could result in recoupment, False Claims Act liability, or other penalties or sanctions.

Recognition of Provider Relief Funds

All Provider Relief Fund recipients must attest to the Provider Relief Fund "Terms and Conditions," which among other things, require the submission and maintenance of documentation to substantiate that relief funds were used for increased healthcare related expenses or lost revenue attributable to coronavirus. Payments in excess of healthcare related expenses or lost revenue attributable to coronavirus must be repaid. DHHS reserves the right to audit Provider Relief Fund recipients to ensure that this requirement is met and collect any Provider Relief Fund amounts that were made in error or exceed lost revenue or increased expenses due to COVID-19. Failure to comply with the Terms and Conditions may be grounds for recoupment or other penalties or sanctions.

DHHS has issued reporting requirements regarding the use of Provider Relief Fund distributions ("*PRF Reporting Instructions*"). The PRF Reporting Instructions direct health care providers receiving more than $10,000 in Provider Relief Fund payments to provide expenditure reports relating to their Provider Relief Fund payments to the Health Resources and Services Administration ("*HRSA*"). The PRF Reporting Instructions create deadlines for use of the funds and associated reporting periods based on when funds were initially received. Generally, providers are expected to use the funds within approximately one year of receipt. The PRF Reporting Instructions also specify the formula for calculating a recipient's lost revenues attributable to COVID-19. Recipients may apply their Provider Relief Fund payments toward lost revenue, using one of the following options, up to the amount (a) of the difference between their 2019 and 2020 actual patient care revenue, (b) of the difference between 2020 budgeted and 2020 actual patient care revenue, using a budget that was established and approved prior to March 27, 2020, or (c) calculated by any reasonable method of estimating revenue, if the recipient submits a description of the methodology, an explanation of why the methodology is reasonable and establishes how the identified lost revenues were in fact a loss attributable to COVID-19, as opposed to a loss caused by any other source. The PRF Reporting Instructions indicate that a recipient electing to calculate lost revenue in accordance with clause (c) above will face an increased likelihood of an audit by the HRSA. The 2021 Appropriations Act and the PRF Reporting Instructions further clarify that health systems may move all Provider Relief Fund distributions within their system. Specifically, a parent organization may allocate (through transfers or otherwise) any or all of its subsidiary organizations' Provider Relief Fund distributions, including "targeted distributions," among subsidiary eligible health care providers of the parent organization.

The PRF Reporting Instructions have been revised or superseded several times and DHHS may release revised or additional Provider Relief Fund requirements or guidance in the future. Any future change to the formula for calculating lost revenues set forth in the PRF Reporting Instructions could have a potentially significant impact on whether a health care provider must repay a portion of its Provider Relief Fund payments. The Institution will continue to monitor compliance with the Terms and Conditions of the Provider Relief Fund. While not anticipated, if unable to attest to or comply with current or future terms and conditions, the ability of the Institution to retain some or all of the distributions received may be impacted.

General Economic Factors and Credit Market Disruptions

The U.S. economy is unpredictable. Economic downturns and other unfavorable economic conditions have previously impacted the health care industry and health care providers' business and financial condition, and as described above, the COVID-19 pandemic has and continues to adversely impact the U.S. economy. If general economic conditions worsen as a result of the COVID-19 pandemic and/or other causes, the Institution may not be able to sustain future profitability, and its liquidity and ability to repay outstanding debt, including debt service on the Series 2022 Bonds, may be adversely affected. Broad economic factors - such as unemployment rates or instabilities in consumer demand and consumer spending – could affect the Institution's volumes and its ability to collect outstanding receivables. Other economic conditions that from time to time may adversely affect Institution revenues and expenses, and consequently, its ability to make payments under the Promissory Notes, include but are not limited to: (1) an inability to access financial markets on acceptable terms at a desired time, (2) significant investment portfolio losses, (3) increased business failures and consumer and business bankruptcies, (4) federal and state budget challenges resulting in reduced or delayed Medicare and Medicaid reimbursement, (5) a reduction in the demand for health care services or patient decisions to postpone or cancel elective and non-emergency health care procedures, (6) increased malpractice, casualty, and other insurance expenses, (7) reduced availability or affordability of health insurance, (8) a shortage of physician, nursing, or other professional personnel, (9) a shortage of medical supplies and critical care unit beds caused by the COVID-19 pandemic or other pandemic, (10) increased operating costs, (11) a reduction in the receipt of grants and charitable contributions, (12) unfavorable demographic developments in the Institution's

service areas, (13) unavailability of liquidity during periods of economic stress caused by delayed reimbursement or payment, or increased costs of liquidity facilities, or (14) increased competition from other health care institutions. All or any of the foregoing conditions could be exacerbated by the COVID-19 pandemic.

Nonprofit Health Care Environment

The Institution is a nonprofit corporation and each is exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"). As a nonprofit tax-exempt organization, the Institution is subject to federal, state and local laws, regulations, rulings and court decisions relating to its organization and operation, including its operations for charitable purposes. At the same time, the Institution conducts large-scale complex business transactions and is a major employer in its geographic area. There can often be a tension between the rules designed to regulate a wide range of charitable organizations and the day-to-day operations of a complex, large health care organization. Hospitals or other health care providers, such as the Institution, may be forced to forego otherwise favorable opportunities for certain joint ventures, recruitment and other arrangements in order to maintain their tax-exempt status.

The operations and practices of nonprofit, tax-exempt health care providers are routinely challenged or criticized for inconsistency or inadequate compliance with regulatory requirements for, and societal expectations of, nonprofit tax-exempt organizations. These challenges in some cases are broader than concerns about compliance with federal and state statutes and regulations, such as Medicare and Medicaid compliance, and instead are examinations of core business practices of the health care organizations. A common theme of these challenges is that nonprofit hospitals may not confer community benefits that exceed or equal the benefit received from their tax-exempt status. Areas that have come under examination have included pricing practices, billing and collection practices, charitable care, methods of providing and reporting community benefit, executive compensation, exemption of property from real property taxation, private use of facilities financed with tax-exempt bonds and others. These challenges and questions have come from a variety of sources, including state attorneys general, the Internal Revenue Service (the "*IRS*"), labor unions, Congress, state legislatures, and patients, and in a variety of forums, including hearings, audits and litigation.

The following are some examples of the challenges and examinations facing nonprofit health care organizations. They are indicative of a greater scrutiny of the billing, collection and other business practices of these organizations, and may indicate an increasingly more difficult operating environment for health care organizations, including the Institution. The challenges and examinations, and any resulting legislation, regulations, judgments, or penalties, could have a material adverse effect on the Institution.

Congressional Hearings and Investigations

A number of House and Senate Committees, including the House Committee on Energy and Commerce, the House Committee on Ways and Means and the Senate Finance Committee, have conducted hearings and/or investigations into issues related to nonprofit tax-exempt health care organizations. These hearings and investigations have included a nationwide investigation of hospital billing and collection practices, charity care and community benefit and prices charged to uninsured patients and possible reforms to the nonprofit sector. Additionally, then Senate Finance Committee Chairman Chuck Grassley renewed his scrutiny of tax-exempt hospitals, requesting in a February 2019 letter to the IRS that the agency provide data with respect to its examinations of non-profit hospital compliance with Internal Revenue Code community benefit regulations. The effect of these hearings and investigations cannot be predicted, but may result in new legislation.

Series 2022 Bond Examinations

The IRS has active programs auditing both the qualification of hospital organizations as Section 501(c)(3) organizations and the qualification of bonds issued for the benefit of such organizations as tax-exempt. The IRS may use detailed information required to be reported on IRS Form 990 – Return of Organizations Exempt From Income Tax ("*IRS Form 990*") for this purpose.

IRS Examination of Compensation Practices and Community Benefit

For many years, the IRS has been concerned about executive compensation practices of tax-exempt hospitals. In February 2009, the IRS issued its Hospital Compliance Project Final Report (the "*IRS Final Report*") that examined tax-exempt organizations' practices and procedures with regard to compensation and benefits paid to their officers and other defined "insiders". The IRS Final Report indicated that the IRS (1) will continue to heavily scrutinize executive compensation arrangements, practices and procedures of tax-exempt organizations, and (2) in certain circumstances, may conduct further investigations or impose fines on tax-exempt organizations.

The IRS has also undertaken a community benefit initiative directed at hospitals. The IRS Final Report determined that the reporting of community benefit by nonprofit hospitals varied widely, both as to types of programs and expenditures classified as community benefit and the measurement of community benefits. As a result, IRS Form 990 requires detailed disclosure of compensation practices, corporate governance, loans to management and others, joint ventures and other types of transactions, political campaign activities, and other areas the IRS deems to be a compliance risk. IRS Form 990 also requires the disclosure of information on community benefit as well as reporting of information related to tax-exempt bonds, including compliance with the arbitrage rules and rules limiting private use of bond-financed facilities, including compliance with the safe harbor guidance in connection with management contracts and research contracts. IRS Form 990 is intended to provide enhanced transparency as to the operations of exempt organizations. It is likely that the IRS will use detailed information from IRS Form 990 to assist in its enhanced enforcement efforts. See "Risks Related to Tax-Exempt Status of the Institution – Maintenance of Tax-Exempt Status" below.

Schedule H of IRS Form 990, which hospitals and health systems must use to report their community benefit activities, has been revised to require details on how a hospital determines eligibility for free or discounted care (if the federal poverty guidelines are not used). Consistent with Section 501(r) of the Code, Schedule H now requires hospitals to describe billing and collection practices permitted under the hospital facility's policies, as well as information about the hospital's emergency medical care policy.

Litigation Relating to Billing and Collection Practices

Over the past several years, lawsuits have been filed in both federal and state courts alleging, among other things, that hospitals have failed to fulfill their obligations to provide charity care to uninsured patients, have overcharged uninsured patients and have engaged in aggressive billing and collection practices. Other cases have alleged that charging patients more for services furnished in a hospital-based setting is a wrongful or deceptive practice. Some of these cases have since been dismissed by the courts and some hospitals and health systems have entered into substantial settlements. A number of cases are still pending in various courts around the country with inconsistent results and others could be filed. The Institution is currently not a defendant in material litigation relating to billing and collection practices.

Challenges to Real Property Tax Exemptions

The real property tax exemptions afforded to certain nonprofit health care providers by state and local taxing authorities have been challenged on the grounds that the health care providers were not engaged in sufficient charitable activities. These challenges have been based on a variety of grounds, including allegations of aggressive billing and collection practices, excessive financial margins and operations that closely resemble for-profit businesses. Several of these disputes have been determined in favor of the taxing authorities or have resulted in settlements. In addition, some states have proposed overhauling their property tax exemption laws. While management of the Institution is not aware of any current challenge to the tax exemption afforded to any material real property of the Institution, there can be no assurance that these types of challenges will not occur in the future.

Attorneys General and Other State Oversight or Audits

State nonprofit public benefit corporations, including the Institution, are subject to oversight and examination by the New York Attorney General to ensure their charitable purposes are being carried out, that their fundraising and investment activities comply with state law, that conflicts of interest and potential conflicts of interest are addressed

in compliance with state law, and that the terms of charitable gifts are followed. In addition, state legislatures may direct state executive bodies to monitor or audit levels of charity care being provided in nonprofit hospitals.

Charity Care

The legislatures of some states have attempted to pass legislation mandating charity care levels or imposing other requirements relating to charity care. From time to time, Congress proposes new laws and the IRS proposes new regulations concerning the manner in which charity care is calculated or issues guidance concerning the level of charity care expected of an organization exempt from tax under Section 501(c)(3) of the Code. Management of the Institution cannot predict whether legislation, regulations, or guidance will be implemented in the future and cannot predict the effect it may have on the Institution's financial condition, though such effect may be material. Additionally, tax-exempt hospitals often treat large numbers of indigent patients who are unable to pay in full for their medical care. General economic conditions that affect the number of employed individuals who have health coverage affect the ability of patients to pay for health care. The COVID-19 pandemic and its impact on economic conditions could increase the number of uninsured and indigent patients.

Risks Related to Tax-Exempt Status of the Series 2022 Bonds and the Institution

Maintenance of Tax-Exempt Status

The maintenance by an entity of its status as an organization described in Section 501(c)(3) of the Code is contingent upon compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their assets to inure to the benefit of private individuals. Loss of tax-exempt status by the Institution could result in loss of tax exemption of interest on the Series 2022 Bonds and the Institution's outstanding tax-exempt Series 2018 Bonds and defaults in covenants relating to such Series 2022 Bonds would likely result. Such an event would also have other material adverse consequences on the business and financial condition of the Institution. The Institution is not aware of any transactions or activities currently ongoing that are likely to result in the revocation of the tax-exempt status of the Institution.

The IRS has announced that it intends to closely scrutinize transactions between not-for-profit corporations and for-profit entities, and in particular has issued audit guidelines for tax-exempt hospitals. As these general principles were developed primarily for public charities that do not conduct large-scale technical operations and business activities, they often do not adequately address the myriad of operations and transactions entered into by a modern health care organization. Although traditional activities of hospitals, such as medical office building leases and compensation arrangements and other contracts with physicians, have been the subject of interpretations by the IRS in the form of Private Letter Rulings, many activities have not been addressed in any official opinion, interpretation or policy of the IRS. The Institution participates in a variety of transactions and joint ventures with physicians either directly or indirectly and there can be no assurances that certain of these types of transactions would not be challenged by the IRS. Management of the Institution believes that the transactions and joint ventures to which the Institution is a party are consistent with the requirements of the Code as to tax-exempt status, but, as noted above, there is uncertainty as to the state of the law.

The ACA (as defined herein) also contains requirements for tax-exempt hospitals through Section 501(r) of the Code. Final regulations under Section 501(r) of the Code provide detailed guidance relating to requirements for community health needs assessments, financial assistance policies, emergency medical care policies, limitations on charges and billing and collection practices, and also provide guidance on consequences of failure to satisfy Section 501(r) requirements. These final regulations are complex and administratively burdensome. An organization's failure to meet one or more Section 501(r) requirements could endanger the organization's Section 501(c)(3) status as of the first day of the tax year in which a failure occurs. In addition, an organization may be subject to certain excise taxes if a hospital facility fails to maintain the requirements concerning community health needs assessments.

In certain cases, the IRS has imposed substantial monetary penalties and future charity care or public benefit obligations on tax-exempt hospitals in lieu of revoking their tax-exempt status, as well as requiring that certain transactions be altered, terminated or avoided in the future and/or requiring governance or management changes. These penalties and obligations are typically imposed on the tax-exempt hospital pursuant to a "closing agreement"

with respect to the hospital's alleged violation of Section 501(c)(3) exemption requirements. Given the uncertainty regarding how tax-exemption requirements may be applied by the IRS, the Institution is, and will be, at risk for incurring monetary and other liabilities imposed by the IRS through this "closing agreement" or similar process.

The IRS has periodically conducted audit and other enforcement activity regarding tax-exempt health care organizations. Certain audits are conducted by teams of revenue agents, often take years to complete and require the expenditure of significant staff time by both the IRS and the audited organization. These audits examine a wide range of possible issues, including tax-exempt bond financings, partnerships and joint ventures, unrelated business income tax, retirement plans and employee benefits, employment taxes, political contributions and other matters.

In recent years, the IRS has increased the frequency and scope of its audit and other enforcement activity regarding tax-exempt organizations. If the IRS were to find that the Institution had participated in activities in violation of certain regulations or rulings, the tax-exempt status of such entity could be in jeopardy. Although the IRS has not frequently revoked the 501(c)(3) tax-exempt status of nonprofit corporations, it could do so in the future. Loss of tax-exempt status by the Institution potentially could result in loss of tax exemption of the Series 2022 Bonds and the other tax-exempt debt of the Institution, and defaults in covenants regarding such tax-exempt debt and other obligations likely would be triggered. Loss of tax-exempt status also could result in substantial tax liabilities on income of the Institution.

State and Local Tax Exemption

State, county and local taxing authorities undertake audits and reviews of the operations of tax-exempt health care providers with respect to their real property tax exemptions. In some cases, particularly where authorities are dissatisfied with the amount of services provided to indigents, the real property tax-exempt status of the health care providers has been questioned. For example, a court in New Jersey decided that a nonprofit hospital should pay property taxes on almost all of its property because it did not meet the legal test that it operate as a nonprofit, charitable organization during certain years. The majority of the real property of the Institution is currently treated as exempt from real property taxation. Although the real property tax exemptions of the Institution with respect to core hospital facilities have not, to the knowledge of management, been under challenge or investigation, an audit could lead to a challenge that could adversely affect the real property tax exemptions of the Institution.

From time to time, legislation has been introduced in the New York legislature to limit or repeal certain of the state tax exemptions available to private nonprofit healthcare providers, including state income, franchise, ad valorem property and sales tax. It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of nonprofit corporations. There can be no assurance that future changes in the laws and regulations of state or local governments will not materially adversely affect the financial condition of the Institution by requiring payment of income, local property or other taxes.

Tax-Exempt Status of Interest on Certain Indebtedness

The Code and related regulations, rulings and policies impose a number of requirements that must be satisfied for interest on state and local obligations to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds of tax-exempt bonds, limitations on the investment earnings of proceeds of such bonds prior to expenditure, a requirement that certain investment earnings on proceeds of such bonds be paid periodically to the United States, and a requirement that governmental issuers file an information report with the IRS. In each tax certificate pertaining to the issuance of such state and local obligations (each a "*Tax Certificate*"), the related governmental issuer and Institution have covenanted to comply with such requirements. However, future failure by an issuer or the Institution to fulfill their respective obligations under a Tax Certificate may result in the inclusion of interest on such obligations in gross income for federal income tax purposes, possibly retroactive to their date of issuance.

For a discussion of certain tax matters relating to the Series 2022 Bonds, see the discussion under the caption "TAX MATTERS".

IRS officials have indicated that more resources will be invested in audits of tax-exempt obligations, including the use of tax-exempt obligation proceeds, in the charitable organization sector, with specific review of private use. In addition, the IRS has from time to time sent questionnaires to several hundred nonprofit corporations that have borrowed on a tax-exempt basis, inquiring about post-issuance compliance with various requirements for maintaining the federal tax exemption of interest on their tax-exempt obligations. The questionnaire includes questions relating to the borrower's (i) record retention, which the IRS has particularly emphasized, (ii) qualified use of bond-financed property, (iii) arbitrage yield restriction and rebate requirements, (iv) debt management policies, and (v) voluntary compliance and education.

The IRS has also added schedules to IRS Form 990 that create additional reporting responsibilities. On Schedule H, hospitals and health systems must report how they provide community benefit and specify certain billing and collection practices. Schedule K requires detailed information related to all outstanding bond issues of tax-exempt borrowers, including information regarding operating, management and research contracts as well as private use compliance. Tax-exempt organizations must also complete Schedule J, which requires reporting of compensation information for the organizations' officers, directors, trustees, key employees, and other highly compensated employees. IRS reviews and audits could and may adversely affect the marketability of or the market value for the Series 2022 Bonds.

The opinions of nationally recognized bond counsel delivered on the dates that tax-exempt bonds are issued are not binding on the IRS or the courts, and such opinions speak only as of their respective date of delivery. There is no assurance that an IRS examination will not adversely affect the market price for, or the marketability of, state or local obligations issued to make loans to the Institution and any such examination may cause the Institution and/or the holders of such Series 2022 Bonds to incur significant expense.

Unrelated Business Income

In recent years, the IRS and state, county and local tax authorities have audited the operations of tax-exempt hospitals and health care systems with respect to their exempt activities and the generation of unrelated business taxable income ("*UBTI*"). Most hospitals and health care systems participate in activities that may generate UBTI. An investigation or audit could result in assessment of taxes, interest and penalties with respect to unreported UBTI and in some cases ultimately could affect the tax-exempt status of such entity, as well as the exclusion from gross income for federal income tax purposes of the interest payable on tax-exempt debt of the Institution.

Limitations on Contractual and Other Arrangements Imposed by the Code

As a tax-exempt organization, the Institution is limited with respect to the use of practice income guarantees, reduced rent on medical office space, low interest loans, joint venture programs and other means of recruiting and retaining physicians. The IRS scrutinizes a broad variety of contractual relationships commonly entered into by hospitals and has issued a detailed audit guide suggesting that field agents scrutinize numerous activities of the hospitals in an effort to determine whether any action should be taken with respect to limitations on or revocation of their tax-exempt status or assessment of additional tax. Any suspension, limitation, or revocation of the tax-exempt status of the Institution or assessment of significant tax liability would have a materially adverse effect on the Institution.

Cost of Capital

From time to time, Congress has considered and is considering revisions to the Code that may prevent or limit access to the tax-exempt debt market by borrowers such as the Institution. Such legislation, if enacted into law, may have the effect of materially increasing the costs of capital to the Institution. See "Tax Reform" below.

Security and Enforceability

General

The legal right and practical ability of the Trustee to enforce its rights and remedies under the Loan Agreement, the Indenture, the Series 2022 Promissory Note, and the Series 2022 Bonds are subject to bankruptcy, insolvency, reorganization and other state and federal laws affecting the enforcement of creditors' rights and to general principles of equity. In addition, the Trustee's ability to enforce such terms will depend upon the exercise of various remedies specified by such documents which may in many instances require judicial actions that are often subject to discretion and delay or that otherwise may not be readily available or be limited. A claim for payment of the principal of or interest on Series 2022 Bonds could be made subject to any statutes that may be constitutionally enacted by the United States Congress or applicable state legislatures affecting the time and manner of payment or imposing other constraints upon enforcement.

Bankruptcy

In the event the Institution files for protection from creditors under the United States Bankruptcy Code, the rights and remedies of the Owners of the Series 2022 Bonds would be subject to various provisions of the United States Bankruptcy Code. If the Institution were to commence a proceeding in bankruptcy, payments made by the Institution during the 90-day period immediately preceding such commencement (or, under certain circumstances, during the preceding one-year period) may be voided as preferential transfers to the extent such payments allow the recipients thereof to receive more than they would have received in the event of the liquidation of the Institution. Security interests and other liens granted by the Institution to the Trustee and perfected during such preference period may also be voided as preferential transfers to the extent such security interest or other lien secures obligations that arose prior to the date of such grant or perfection.

A bankruptcy filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Institution and its property and as an automatic stay of any act or proceeding to enforce a lien upon or to otherwise exercise control over its property as well as various other actions to enforce, maintain or enhance the rights of the Trustee. If the bankruptcy court so ordered, the property of the Institution could be used for the financial rehabilitation of the Institution despite any security interest of the Trustee therein. The rights of the Trustee to enforce their respective interests and other liens could be delayed during the pendency of the rehabilitation proceeding.

The Institution could also file a plan for the adjustment of its debts in any such proceeding which could include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. The plan, when confirmed by a court, binds all creditors who had notice or knowledge of the plan and, with certain exceptions, discharges all claims against the debtor to the extent provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are conditions that the plan be feasible and that it shall have been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the class cast votes in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly. Any such plan could adversely affect the beneficial owners of the Series 2022 Bonds.

The various legal opinions to be delivered concurrently with the delivery or conversion and reoffering, as applicable, of the Series 2022 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and laws relating to fraudulent conveyances.

Under the United States Bankruptcy Code, a bankruptcy court could appoint a patient advocate, the cost of which would be an administrative expense of the estate and certain reimbursements from federal agencies could be discontinued.

In addition, the bankruptcy of a health plan or physician group that is a party to a significant managed care arrangement with the Institution, or that of any significant contract payor obligated to the Institution, could have a material adverse impact on the Institution's business or financial condition.

Limitations on Enforceability

The legal right and practical ability of the Trustee to enforce its rights and remedies under the Loan Agreement, the Series 2022 Bonds and the Indenture, and related documents may be limited by laws relating to bankruptcy, insolvency, fraudulent conveyance, reorganization or other laws affecting the enforceability of creditors' rights generally and by the availability of equitable remedies, and, with respect to the enforcement of payments under the Loan Agreement, may be limited to the extent that such payments (i) are requested to be made from assets which are donor-restricted or which are subject to a direct, express or charitable trust which does not permit the use of such assets for such payments; or (ii) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Institution.

Under both the Federal Bankruptcy Code and state fraudulent transfer laws, a transfer by an obligor of cash, collateral, or any other thing of value can present the risk that creditors of the obligor may attempt to avoid the transfer. For such fraudulent conveyance or fraudulent transfer laws to apply, the transfer must have been made at a time when the transferor was insolvent or undercapitalized (or the transfer must have rendered the transferor insolvent), and the transferor must not have received reasonably equivalent value in exchange. Courts which have applied these laws have diverged widely in the meanings given to these terms, resulting in a conflicting body of case law.

There exists common law authority and authority under state statutes for the ability of the courts to terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of the state attorney general or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses. In one case, the attorney general of the State of Connecticut, under a charitable trust theory, obtained a temporary injunction enjoining a convalescent home, constructed and maintained in large part with private contributions, from transferring assets or making payments to an out-of-state affiliate pursuant to a proposed master trust indenture.

Amendments

Certain amendments to the Indenture and the Loan Agreement may be made without the consent of the holders of the Series 2022 Bonds. Certain other amendments to the Indenture and the Loan Agreement may be made with the consent of the holders of not less than a majority of the principal amount of the outstanding Series 2022 Bonds.

Limitation of Value on Mortgaged Property

The Mortgaged Property is not comprised of general purpose buildings and would not generally be suitable for industrial or commercial use. Consequently, it would be difficult to find a buyer or lessee for the Mortgaged Property if it were necessary to foreclose on the Mortgaged Property. Thus, upon any default, it may not be possible to realize the outstanding interest on and principal on all outstanding indebtedness including the Series 2022 Bonds from a sale or lease of the Mortgaged Property. In addition, in order to operate the Mortgaged Property as health care facilities, a purchaser of the Mortgaged Property at a foreclosure sale would under present law have to obtain a certificate of need and licenses for the facilities.

In addition, under applicable environmental law, in the event of any past or future releases of pollutants or contaminants on or near the Mortgaged Property, a lien superior to the lien of the Mortgage could attach to the Mortgaged Property to secure the costs of removing or otherwise treating such pollutants or contaminants. Such a lien could adversely affect the ability to realize sufficient amounts to pay all outstanding indebtedness including the Series 2022 Bonds in full. In addition, the Mortgaged Property is subject to certain existing liens and restrictions. See

APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION – CORPORATE ORGANIZATION AND INSTITUTIONAL CONTROL – Real Estate".

Market Risks

The Institution has significant holdings in a broad range of investments. Market fluctuations have affected and will continue to affect the value of those investments and those fluctuations may be, and historically have been, material. Market disruptions have exacerbated the market fluctuations and have negatively affected the investment performance over certain time periods and in some cases materially diminished the liquidity of those investments. Investment income (including both realized and unrealized gains on investments) has contributed significantly to the Institution's financial results over recent years. Any diminution of liquidity of the Institution's investments could also have a material adverse effect on the Institution.

Market for the Series 2022 Bonds

Subject to prevailing market conditions, the Underwriter intends to, but is not obligated to, make a market in the Series 2022 Bonds. There is presently no secondary market for the Series 2022 Bonds, and no assurance can be given that a secondary market will develop. Consequently, investors may not be able to resell the Series 2022 Bonds purchased should they need or wish to do so.

Absence of Credit Rating

The Series 2022 Bonds will not be rated at the time of issuance. While there can be no assurance that there will be a secondary market for the purchase or sale of the Series 2022 Bonds, the absence of a credit rating may adversely affect the marketability of the Series 2022 Bonds in any such secondary market. See "NO RATINGS".

Future Legislation Regarding Limitations or Elimination of Tax-Exempt Status

Future tax legislation, administrative actions taken by tax authorities or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2022 Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2022 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation, administrative actions and court decisions could affect the market price or marketability of the Series 2022 Bonds. Prospective investors should consult with their tax advisors on the foregoing matters as they consider an investment in the Series 2022 Bonds.

Covenants in Other Agreements

Certain agreements of the Institution with lenders and other credit and liquidity providers, relating to outstanding indebtedness and indebtedness that may be incurred after the issuance of the Series 2022 Bonds may contain covenants that are more restrictive than the covenants of the Indenture described herein. Such covenants could impede the ability of the Institution to realize cash flows sufficient to make loan payments under the Series 2022 Promissory Note or maintain the ratings assigned to the Series 2022 Bonds and their value. The ability of the Institution to comply with such covenants can be affected by events beyond its control, and there can be no assurance that it will continue to meet such covenants. A breach of any of these covenants could result in a default under the Indenture and credit and liquidity agreements with banks. Upon such an event of default, creditors of the Institution could elect to declare all outstanding advances immediately due and payable and terminate all commitments to extend further credit. Any such action could deplete cash available to make payments under the Series 2022 Promissory Note, or could result in an acceleration of the Series 2022 Bonds without the consent of their owners.

Patient Service Revenues

General

Net patient service revenues realized by the Institution are derived from a variety of sources and will vary among the individual facilities owned and operated by the Institution. A substantial portion of the net patient service

revenues of the Institution is derived from third-party payors. These third-party payors include the Medicare, Medicaid and commercial health plans and insurers, including managed care organizations such as health maintenance organizations ("*HMOs*") and preferred provider organizations ("*PPOs*"). Many third-party payor programs make payments to the Institution in amounts that may not reflect the direct and indirect costs of the Institution in providing services to the insured patients. Federal deficit reduction efforts have slowed the growth of federal Medicare and Medicaid spending, as discussed below. Additionally, the financial performance of the Institution has been, and in the future could be, adversely affected by the financial position or the insolvency or bankruptcy of or other delay in receipt of payments from third-party payors.

Governmental Payor Programs

Health care providers have been and continue to be affected significantly by changes made in the last several years to federal and state health care laws and regulations, particularly those pertaining to Medicare and Medicaid. The purpose of much of this statutory and regulatory activity has been to reduce the rate of increase in health care costs, particularly costs paid under the Medicare and Medicaid programs. In addition to ongoing and future payment reform measures resulting from the Affordable Care Act ("*ACA*") and other health care reform efforts, the Medicare and Medicaid programs are subject to: (1) other statutory and regulatory changes, administrative rulings, interpretations and determinations concerning patient eligibility requirements, funding levels, and the method of calculating payments or reimbursement rates, (2) requirements for utilization review, and (3) federal and state funding restrictions and challenges, including as exacerbated by the COVID-19 pandemic. Any of these factors could materially decrease payments from these government programs in the future, as well as affect the cost of providing services to patients and the timing of reimbursement. See "REGULATION OF THE HEALTH CARE INDUSTRY – Federal and State Legislation; National Health Care Reform" below for additional discussion of risks related to Medicare and Medicaid reimbursement.

Dependence upon Commercial Third-Party Payors

The Institution's ability to develop and expand its services and, therefore, operating margins, is dependent upon its ability to enter into or maintain contracts with commercial third-party payors, such as managed care organizations, at competitive rates. There can be no assurance that it will be able to attract third-party payors, and where it does, no assurance that it will be able to contract or maintain is contracts with such payors on advantageous terms. The inability of the Institution to contract with a sufficient number of such payors on advantageous terms would have a material adverse effect on the Institution. Further, while the Institution expects to control health care service utilization and increase quality, the Institution cannot predict changes in utilization patterns by other health care providers. Additionally, commercial third-party payors are increasingly attempting to control health care costs through increased utilization reviews, greater enrollment in managed care programs, such as HMOs and PPOs, and directly contracting with health care facilities to provide services on a discounted basis. The trend toward consolidation among private managed care payors tends to increase their bargaining power over prices and fee structures. Other health care providers, including some with greater financial resources, greater geographic coverage or a wider range of services, may compete with the Institution for opportunities with commercial insurers. For example, competitors may negotiate exclusivity provisions with certain managed care plans or otherwise restrict the ability of managed care companies to contract with Institution providers. There can be no assurance that the Institution will be able to attract commercial third party payors, or that it will be able to contract with such payors on advantageous terms.

The ACA imposes, over time, increased regulation of the industry, the use and availability of exchanges in which health insurance can be purchased by certain groups and segments of the population, the extension of subsidies and tax credits for premium payments by some consumers and employers, and the imposition upon commercial insurers of certain terms and conditions that must be included in contracts with providers. In addition, the ACA imposes many new obligations on states related to health care insurance.

It is unclear how the increased federal oversight of state health care may affect future state oversight or affect the Institution. The effects of these changes upon the financial condition of any third-party payor that offers health care insurance, rates paid by third-party payors to providers and, thus, the revenues of the Institution, and upon the operations, results of operations and financial condition of the Institution cannot be predicted.

Government Regulation of the Health Care Industry

A significant portion of the revenues of the Institution is derived from government reimbursement programs including, in particular, the Medicare and Medicaid programs. See APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION – PATIENT SERVICE REVENUE, PAYOR MIX AND REIMBURSEMENT METHODOLOGIES" hereto for a breakdown of payment sources including Medicare and Medicaid. As a result, the Institution is subject to all of the federal, state and local laws and regulations related to the Medicare and Medicaid programs. In addition to the Medicare and Medicaid programs, the Institution and the health care industry in general are subject to regulation by a number of governmental agencies which affect the provision, administration and payment of health care services on both a national and local basis. Health care providers, including the Institution, have been and will be affected significantly by changes that have occurred in the last several years in federal and state health care laws and regulations, particularly those pertaining to Medicare and Medicaid. See "REGULATION OF THE HEALTH CARE INDUSTRY".

Value-Based Care and Alternative Payment Models

The health care industry is under pressure from the federal and state governments and managed care plans to transition from fee for service methods of payment to "value-based care". Accordingly, alternative payment models such as value-based purchasing programs that condition reimbursement on patient outcome measures, are becoming more common and involve a higher percentage of reimbursement amounts. As discussed below in "REGULATION OF THE HEALTH CARE INDUSTRY", the ACA contains a number of health care delivery reform measures intended to promote value-based purchasing in the federal health care programs and commercial third-party payors are increasingly implementing value-based purchasing and other alternative payment models. This rapid volume-to-value reimbursement shift could present financial challenges for the Institution and the employed or contracted clinicians with whom the Institution partners to deliver care, particularly to the extent they are unable to meet targeted measures. There can be no assurance that management will be able to reduce the Institution's cost structure sufficiently quickly enough to align with potentially decreased revenues from a value-based care model, or that the Institution will otherwise adapt to value-based care incentives sufficiently quickly to maintain positive financial results.

To keep pace with industry trends, many hospitals and health systems are pursuing clinical integration strategies or other joint ventures with physician groups in order to offer an integrated package of health care services to patients and health care insurers. These integration strategies may take many forms, including (1) accountable care organizations ("*ACOs*") – organizations typically composed of a hospital and certain other health care providers that coordinate patient care and tie payment for that care to the achievement of quality metrics, (2) management service organizations – organizations that provide physicians or physician groups with a combination of financial and managed care contracting services, office and equipment, office personnel and management information systems, (3) physician-hospital organizations - organizations which are typically jointly owned or controlled by a hospital and physician group for the purpose of managed care contracting, implementation and monitoring, and (4) hospital-based clinics or medical practice foundations, which may purchase and operate physician practices as well as provide all administrative services to physicians. Often the start-up capitalization for such structures, as well as operational deficits, are funded by the sponsoring hospital or health system. Depending on the size and organizational characteristics of a particular strategy, these capital requirements may be substantial. In some cases, the sponsoring hospital or health system may be asked to provide a financial guarantee for the debt of a related entity that is carrying out an integrated delivery strategy and assuming financial risk in the process. In certain of these structures, the sponsoring hospital or health system may have an ongoing financial commitment to support operating deficits, which may be substantial on an annual or aggregate basis. In addition, participating physicians may seek their independence for a variety of reasons, thus putting the hospital or health system's investment at risk and potentially reducing its managed care leverage and/or overall utilization. If an integrated delivery system structure is not functionally successful, it may produce materially adverse results that are counterproductive to some or all of its goals.

Joint venture and integrated delivery strategies carry with them the potential for legal or regulatory risks in varying degrees. Such ventures or strategies may call into question compliance with the federal fraud and abuse laws, relevant antitrust laws and federal or state tax-exemption. Such risks will turn on the facts specific to the implementation, operation or future modification of any integrated delivery system. In addition, depending on the type of structure, a wide range of governmental billing and other issues may arise, including questions of the authorization of the entity to bill for or on behalf of the physicians involved. Other related legal and regulatory risks may arise,

including employment, pension and benefits, requirements for risk-bearing organizations and corporate practice of medicine, particularly in the current atmosphere of frequent and often unpredictable changes in federal and state legal requirements regarding health care and medical practice. The ability of hospitals or health systems to conduct integrated physician operations may also be altered or eliminated in the future by legal or regulatory interpretation or changes or by health care fraud enforcement. Management of the Institution believes that current joint ventures and integrated care arrangements to which the Institution is a party are in material compliance with applicable state and federal health care regulatory laws. Nevertheless, there can be no assurance that the Institution's joint ventures or integrated delivery models will not be subject to investigation or otherwise found to be in violation of applicable health care rules and regulations.

Managed Care Organizations

HMOs, PPOs and other managed health care systems (collectively, "*Managed Care Organizations*") are providers of health care coverage significantly different from traditional commercial insurers. Managed Care Organizations represent a broad continuum of systems generally designed to favorably affect the cost, the site and/or the utilization of health care services from a patient standpoint. As such, they include HMOs, which generally accept uniform per-employee payments from employers and/or employees with fees based on the number of enrollees and in return agree to provide all, or substantially all, of an enrollee's health care needs, and PPOs, which generally negotiate favorable prices with providers and thus create preferred provider arrangements. Managed Care Organizations often rely upon case management analysis to reduce utilization of health care services, including discouraging an enrollee's admission to a hospital unless determined to be absolutely necessary. As Managed Care Organizations' enrollment increases, such entities also become significant purchasers of health care services from hospitals and other providers enabling negotiation of separate pricing terms and selection of health providers offering the most cost-effective services. Such case and cost management efforts on behalf of Managed Care Organizations may adversely affect utilization of the facilities and/or patient revenues of the Institution.

Most Managed Care Organizations pay health care facilities on a negotiated fee-for-service basis or on a discounted fixed rate basis for inpatient care. The discounts offered to Managed Care Organizations may result in payment at less than actual cost and the volume of patients directed to a health care facility under a Managed Care Organization's contract may vary significantly from projections. In cases where a Managed Care Organization is a major purchaser of services from the Institution, a contract rate reduction, contract cancellations, inability to pay, failure to make prompt payment, difficulty in meeting solvency thresholds, business failure or bankruptcy of the Managed Care Organization may have a substantial negative effect on the Institution's financial condition.

Some Managed Care Organizations employ a "capitation" payment method under which health care providers are paid a predetermined periodic rate for each enrollee in the Managed Care Organization who is "assigned" or otherwise directed to receive care from a particular health care provider. The health care provider may assume financial risk for the cost and scope of institutional care provided. If payment is insufficient to meet the health care provider's actual cost of care, or if utilization by such enrollees materially exceeds projections, the financial condition of the health care provider could erode rapidly and significantly. In addition to the standard Managed Care Organization risk sharing approach, private health insurance companies are increasingly adopting various additional risk sharing/cost containing measures, sometimes similar to those introduced by government payors. Health care providers may expect health care cost containment and its associated risk sharing to continue to increase in the coming years among all payors.

Managed Care Organizations that experience financial pressure may slow payment to providers, withhold pay entirely, or utilize claims payment methodology that systematically reduces compensation on a per claim basis. Managed Care Organizations that become insolvent may seek either federal bankruptcy or state insurance insolvency protection. Such bankruptcy or insurance insolvency protection may require that providers repay certain claims to the Managed Care Organization, or result in certain claims becoming uncollectible. It is not possible at this time to predict the future of the managed care industry in general or of specific Managed Care Organizations, or to predict what impact the state of the financial health of such organizations might have on the Institution.

Often, managed care contracts are enforceable for a stated term, regardless of health care organization losses and may require health care organizations to care for enrollees for a certain time period, regardless of whether the payor is able to pay the health care organization. Health care organizations from time to time have disputes with

Managed Care Organizations concerning payment and contract interpretation issues. Such disputes may result in mediation, arbitration, litigation or contract termination.

Failure to maintain contracts could have the effect of reducing a health care organization's market share and net patient services revenues. Conversely, participation may result in lower net income if participating health care organizations are unable to adequately contain their costs. In part to reduce costs, health plans are increasingly implementing, and offering to purchasing employers, tiered provider networks, which involve classification of a plan's network providers into different tiers based on care quality and cost. With tiered benefit designs, plan enrollees are generally encouraged, through incentives or reductions in copayments or deductibles, to seek care from providers in the top tier. Classification of a health care provider in a non-preferred or lower tier by a significant payor may result in a material loss of volume.

Many private health plans and Managed Care Organizations are also mirroring federal initiatives to encourage providers to be more accountable for patient care by tying reimbursement to the quality and value provided to beneficiaries. Managed Care Organizations are increasingly implementing the "narrow networks" which limited the in-network providers available to enrollees in an effort to contain costs. Managed Care Organizations often look at quality performance and cost in selecting providers to participate in their narrow networks. A provider's exclusion from a narrow network may result in a material loss of volume. Managed Care Organizations may offer lower reimbursement for providers in their narrow networks in exchange for additional volume expected from being one of a select group of network providers. This reimbursement may be insufficient to cover a network provider's cost in providing the services. The new demands of dominant health plans and other shifts in the managed care industry may also reduce patient volume and revenue.

In addition, the current trend of consolidation in the health insurance industry is likely to increase the leverage of commercial insurers when negotiating rates with health care providers. Large health insurers that assume dominant positions in local markets threaten to increase health insurer concentration, reduce competition and decrease choice. If the Institution were to terminate its agreement with any of the major managed care payors or not agree to terms proposed by such payors, or if the payors were to exit the regional marketplace in some or all of their product lines, it could have a significant material adverse impact on the financial condition of the Institution.

Federal Budget

The effect of future government health care funding or federal deficit policy changes on the Institution's business or financial condition is unpredictable. If reimbursement rates paid by governmental payors are reduced or if the scope of services covered by governmental payors is limited, there could be a material adverse effect on the Institution's business or financial condition. Past federal legislation and policy aimed at federal deficit reduction have resulted in across-the-board federal program spending reductions, including yearly reductions in Medicare reimbursement rates. The CARES Act temporarily suspended the 2% Medicare sequester through 2020 but extended the sequestration policy through 2030. The American Rescue Plan further suspended the 2% Medicare sequester through December 31, 2021, but requires a $36 billion reduction in Medicare spending in fiscal year 2022. Congress could act to extend or increase Medicare and Medicaid spending reductions in the future. Any further reduction in Medicare and/or Medicaid spending may have a material adverse effect upon the operations, financial condition and financial performance of the Institution. Ultimately, these reductions or alternatives could have a disproportionate impact on hospital providers and could have an adverse effect on the operations, financial condition and financial performance of the Institution, which could be material.

Federal Debt Ceiling

The federal government is subject to a debt "ceiling" established by Congress. In the past several years political disputes concerning authorization of a federal debt ceiling increase have led to shutdowns of substantial portions of the federal government and other federal budget authorization delays have occurred. Federal budget delays and federal government shutdowns are unpredictable and may occur in the future. Failure by Congress to increase the federal debt ceiling, federal budget authorization delays, federal government shutdowns, or other political challenges may cause Medicare or Medicaid reimbursements to be further reduced or paid late, which effects may have a material adverse effect on the Institution's business or financial condition.

State and Local Budgets

Many states face budgetary challenges that have resulted, and likely will continue to result, in reduced Medicaid funding levels to hospitals and other health care providers. Because most states are required to operate with balanced budgets, and the Medicaid program is generally a significant portion of a state's budget, states can be expected to adopt or consider adopting future legislation designed to reduce or freeze Medicaid expenditures. In addition, some states delay issuing Medicaid payments to providers to manage state expenditures. Continuing pressure on state budgets (including as caused or exacerbated by the COVID-19 pandemic), state budget authorization delays, and other factors could result in future reductions to Medicaid payments, payment delays or additional taxes on hospitals. In addition, any legislative initiatives to cap the federal share of Medicaid expenditures or "block grant" the Medicaid program would further shift rising cost risk to the states, exacerbating state budget challenges, and potentially resulting in decreased payments to providers or a reduction in the services covered by Medicaid. Either effect may have a material adverse effect on a provider's business or financial condition.

In January 2011, former Governor Andrew M. Cuomo issued Executive Order No. 5 creating the Medicaid Redesign Team (the "*MRT*") and setting in motion a process of substantial reform of New York's Medicaid program. The MRT, which includes health care professionals, other stakeholders in the industry, and legislators, was charged with reducing Medicaid costs and improving patient care. On February 24, 2011, the MRT issued a report containing findings and recommendations for cost reductions of over $2.3 billion to the Governor for consideration in a budget negotiation process. On February 4, 2020, former Governor Cuomo formed the Medicaid Redesign Term II ("*MRT II*"). MRT II was charged with restoring financial sustainability to the Medicaid program and advancing core health care strategies with a goal of reducing Medicaid spending by $2.5 billion for New York State's fiscal year 2021. On March 19, 2020, MRT II issued a report with proposals to meet these goals. The Enacted Budget for fiscal year 2021 included $2.2 billion of the MRT II recommendation. However, implementation of changes has been delayed due to the COVID-19 pandemic and receipt of increased federal funds which temporarily prevent programmatic changes to the Medicaid program.

All New York State Enacted Budgets since 2011-2012 had assumed a targeted growth rate for Medicaid equal to the ten-year average change in the medical component of the Consumer Price Index. If spending in any fiscal year was projected to exceed this budget cap, the New York State Department of Health ("*DOH*") and the State Department of Budget were authorized to develop and implement a plan of action to bring spending in line with the cap, which could include modifying or reducing payment methods or program benefits. To avoid surpassing the cap in fiscal year 2019, DOH deferred $1.7 billion in Medicaid payments to Medicaid Managed Care Organizations, as well as other payments, from fiscal year 2019 to fiscal year 2020. The State fiscal year 2021 Enacted Budget maintained 1% across-the-board reductions and added an additional reduction of 0.5% in fiscal years 2021 and 2022. The $2.5 billion MRT II target was established before the full outbreak of the COVID-19 pandemic, which is having a significant impact on the New York State health care system. Even with the enacted savings, there can be no assurance that the anticipated savings will be achieved or that the rate of annual growth in DOH State Funds Medicaid spending will be limited. In addition, many of the cost-saving initiatives are dependent upon timely federal approvals, appropriate amendments to the existing systems and processes and a collaborative working relationship with health care industry stakeholders.

New York State Executive Order 38

On January 18, 2012, former Governor Cuomo signed Executive Order No. 38 (the "*Executive Order*") limiting spending for administrative costs and executive compensation at state-funded service providers. The Institution may be subject to the limitations contained in the Executive Order. The Executive Order limits reimbursement with State funds for executive compensation to $199,000 annually per executive and requires that 85% of State-authorized payments be directed to direct care or services, rather than administrative costs. On May 30, 2012, the DOH published proposed regulations to implement the Executive Order. After revisions to the proposed regulations, DOH regulations were first adopted by Notice of Adoption dated May 29, 2013, effective July 1,2013.

The Executive Order has been subject to multiple legal challenges; most recently, the New York Court of Appeals held in 2018 that, while certain caps on executive compensation from any funding source was promulgated in excess of DOH authority, DOH's caps on the use of state funds for executive compensation and for administrative expenses were permissible.

Health Care Facility Transformation Program Grants

New York Public Health Law ("*PHL*") Sections 2825-d, 2825-e and 2825-f established three phases of a health care facility transformation program. The program was established under the joint administration of the commissioner of health and the president of the dormitory authority of the state of New York for the purpose of strengthening and protecting continued access to health care services in communities. The program provides funding for purposes detailed in the respective PHL section for each phase. Disbursement of awards are conditioned on the awardee achieving certain process and performance metrics and milestones as determined in the sole discretion of the commissioner of health. Such metrics and milestones must be structured to ensure that the goals of the project are achieved, and such metrics and milestones are required to be included in grant disbursement agreements or other contractual documents as required by the commissioner, which contain additional terms with which awardees must also comply.

Tax Reform

On December 22, 2017, then President Trump signed into law an act entitled, "H.R. 1: An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018," known as the Tax Cuts and Jobs Act (the "*Tax Cuts and Jobs Act*"). The Tax Cuts and Jobs Act lowered corporate and individual tax rates and eliminated certain tax preferences and other tax expenditures. The Tax Cuts and Jobs Act effectively repealed (effective January 1, 2019) a key provision of the ACA known as the "individual mandate" or the "individual shared responsibility payment", which imposes a tax on individuals who do not obtain health care insurance. Such elimination of the tax penalty associated with the individual mandate may result in a higher uninsured rate, which could have a materially adverse effect on the Institution. In addition, the Tax Cuts and Jobs Act precludes the issuance of tax-exempt bonds to advance refund outstanding tax-exempt bonds. The Tax Cuts and Jobs Act could materially adversely affect the market price or marketability of the Series 2022 Bonds (and outstanding Bonds of the Institution) and/or availability of borrowed funds for the Institution, particularly for capital expenditures, as well as the operations, financial position and cash flows of the Institution.

Licensure, Certification and Accreditation Requirements

The health care facilities of the Institution are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. These may be affected by regulatory action and policy changes by governmental and private agencies that administer Medicare, Medicaid and other third-party payment programs, as well as action by, among others, accrediting bodies such as The Joint Commission or DNV – GL Healthcare USA, Inc. ("*DNV*"), and federal, state and local government agencies. Renewal and continuation of certain of these licenses, certifications and accreditations are based on inspections or other reviews generally conducted in the normal course of business of health facilities. Actions in any of these areas could result in a reduction in utilization, revenues or both, or the inability of the Institution to operate all or a portion of such facilities or to bill various third-party payors, and, consequently, could materially adversely affect the Institution.

Malpractice and General Liability Insurance

In recent years, the number of malpractice and general liability suits and the dollar amount of damage recoveries have increased nationwide, resulting in substantial increases in insurance premiums. Actions alleging wrongful conduct and seeking punitive damages are often filed against hospitals. Litigation may also arise from the corporate and business activities of the Institution, including employee-related matters, medical staff and provider network matters and denials of medical staff and provider network membership and privileges. As with professional liability, many of these risks are covered by insurance, but some are not. For example, some antitrust claims, business disputes and workers' compensation claims are not covered by insurance or other sources and, in whole or in part, may be a liability of the Institution if determined or settled adversely. Claims for punitive damages may not be covered by insurance under certain state laws. Although the Institution currently maintains self-insurance reserves and carries malpractice and general liability insurance which management of the Institution considers adequate, management is unable to predict the availability, cost or adequacy of such insurance in the future.

Any judgments or settlements that exceed insurance coverages or self-insurance reserves could have a material adverse effect on the financial condition of the Institution. Moreover, the management of Institution is not able to predict the cost or availability of any such insurance in the future. See APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION – INSURANCE ARRANGEMENTS" hereto.

The treatment of those with COVID-19 may result in an increased number of professional liability and other lawsuits related to such treatment and/or the spread of COVID-19 to facility employees or others. A number of states, including New York, through executive orders and/or legislation, have granted certain health care providers and facilities immunity protection from certain lawsuits relating to the COVID-19 crisis but some of those protections have been repealed. However, the scope of immunity protection varies from state to state and may not be sufficient to protect health care facilities and providers from material losses stemming from COVID-19 related lawsuits.

Public Health Emergencies

The occurrence of a public health emergency or crisis, including a global pandemic or national or localized outbreak of an infectious disease including but not limited to, COVID-19, Ebola, Zika, or H1N1, may put stress on the capacity of part or all of the facilities of the Institution, could require resources be diverted from one Institution operation to another, or could otherwise impair the operations of part or all of the facilities of the Institution. See "COVID-19 Pandemic" above.

Facility Damage

Hospitals are highly dependent on the condition and functionality of their physical facilities. Damage from natural causes, fire, deliberate acts of destruction, terrorism or various facility system failures may have a material adverse impact on hospital operations, financial conditions and results of operations, especially if insurance is inadequate to cover resulting property and business losses. No assurance is given as to the continuation of existing insurance coverage, which, among other things, may not be available at a reasonable cost in the future. Climate change may increase the frequency or severity of natural disasters.

The occurrences of natural disasters, including floods, blizzards, tornadoes and earthquakes, may damage Institution facilities, interrupt utility service to facilities or otherwise impair the operation of some Institution facilities or the generation of revenues beyond existing insurance coverage. Although the facilities are covered by insurance, a significant fire affecting one or more of the Institution's facilities could have a material adverse effect on the Institution and could result in material damage and temporary or permanent cessation of operations at one or more of the facilities of the Institution.

Construction Risks

Construction projects are subject to a variety of risks, including but not limited to delays in issuance of required building permits or other necessary approvals or permits, including environmental approvals, strikes, shortages of qualified contractors or materials and labor, and adverse weather conditions. Such events could delay occupancy of major construction projects. Cost overruns may occur due to change orders, delays in construction schedules, scarcity of building materials and labor, tariffs on construction materials, and other factors. Cost overruns could cause project costs to exceed estimates and require more funds than originally allocated or require the Institution to borrow additional funds to complete projects.

In connection with the Series 2018 Bonds, the Institution submitted an application to DOH for a certificate of need ("*CON*") for the project to be financed in part through the issuance of the Series 2018 Bonds (the "*Series 2018 Project*"). DOH issued the CON for the Series 2018 Project. In connection with the Series 2022 Project, the Institution has submitted a modification to the original CON for the Series 2018 Project. The Institution has submitted all documents to DOH and is awaiting DOH approval. There is no assurance as to the issuance of the DOH approval and therefore the failure of DOH to issue such approval could have an impact on the use of the Series 2022 Bond proceeds. Management does not believe that it will not receive such DOH approval but there can be no assurance that such approval will be granted.

Increased Competition

The health care business is highly competitive. The Institution will likely face increased competition from other providers of health care that offer health care services to the population which the Institution services. This could include the construction of new, or the renovation of existing, hospitals, specialty hospitals, ambulatory surgical centers and other ambulatory care facilities, private laboratory and radiological services, and telehealth services. There are also some services that could be provided by others which could be substituted for some of the revenue generating services offered by the Institution.

Quality measures and future trends toward clinical transparency may have an unanticipated impact on the Institution's competitive position and patient volumes. Health care consumers are now able to access hospital performance data on quality measures and patient satisfaction, as well as standard charges for services, to compare competing providers. If any of the Institution's health care facilities achieve poor results (or results that are lower than their competitors') on quality measures or patient satisfaction surveys, or if patients perceive its standard charges as being higher than their competitors', the Institution may attract fewer patients. The CMS Price Transparency Rule, (discussed below) which requires the publication of hospital standard charges (including negotiated charges), could also result in market distortion or changes to patient choice that may negatively impact the Institution.

Future competition may arise from new sources not currently anticipated or prevalent. Additionally, scientific and technological advances, new procedures, drugs and devices, preventive medicine and outpatient health care delivery may reduce utilization and revenues of hospitals in the future or otherwise lead the way to new avenues of competition. In some cases, hospital investment in facilities and equipment for capital-intensive services may be lost as a result of rapid changes in diagnosis, treatment or clinical practice brought about by new technology or new pharmacology.

Uncompensated Care

Hospital providers across the country continue to see a rise in uncompensated care that further increases the proportion of patients who are unable to pay fully for their cost of care. The Tax Cuts and Jobs Act's effective repeal of the ACA's individual mandate is likely to increase the number of uninsured. Increases in contracted reimbursement rates may not be sufficient to fully offset the increased cost of uncompensated care.

Employee Relationships/Retention

Hospitals are major employers, combining a complex mix of professional, quasi-professional, technical, clerical, housekeeping, maintenance, dietary and other types of workers in a single operation. As with all large employers, the Institution bears a wide variety of risks in connection with its employees. These risks include strikes and other related work actions, contract disputes, discrimination claims, personal tort actions, work-related injuries, exposure to hazardous materials, interpersonal torts (such as between employees, between physicians or management and employees, or between employees and patients), and other risks that may flow from the relationships between employer and employee or between physicians, patients and employees. Many of these risks are not covered by insurance, and certain of them cannot be anticipated or prevented in advance. The Institution is subject to all of the risks listed above, and such risks, alone or in combination, could have a material adverse consequences to the financial condition or operations of the Institution.

Physician Relationships

The success of the Institution's business depends in significant part on the number, quality, specialties, and admitting and scheduling practices of admitting physicians. Accordingly, it is essential to the Institution's ongoing business that it attract an appropriate number of quality physicians in the specialties required to support its services and that it maintains good relationships with those physicians. A shortage of physicians, especially in primary care, could become a significant issue for health providers in the coming years. In addition, reductions in Medicare or Medicaid reimbursement could lead to physicians relocating their practices in communities with smaller Medicare and Medicaid populations. The Institution may be required to invest additional resources for recruiting and retaining

physicians or may be required to increase the percentage of employed physicians in order to continue serving the growing population base and maintain market share.

In recruiting, retaining and otherwise contracting with physicians, the Institution will be limited by rules promulgated by federal or state regulation. Failure to comply with such rules could result in substantial fines, penalties, or exclusion from the federal health care programs. The Institution believes that the Institution's physician arrangements are in material compliance with applicable laws and regulations, but no assurance can be given that regulatory authorities will not take a contrary position or that the Institution will not be found to have violated applicable law. Additionally, future laws, regulations or policies may have a material adverse impact on the ability of the Institution to recruit and retain physicians.

Medical Staff Disputes

The primary relationship between a hospital and physicians who practice in it is through the hospital's organized medical staff. Medical staff bylaws, rules and policies establish the criteria and procedures by which a physician may have his or her privileges or membership curtailed, denied or revoked. Physicians who are denied medical staff membership or certain clinical privileges, or who have membership or privileges curtailed, denied or revoked, often file legal actions against hospitals. Such action may include a wide variety of claims, some of which could result in substantial uninsured damages to a hospital. In addition, failure of the hospital governing body to adequately oversee the conduct of the medical staff may result in hospital liability to third parties. All hospitals, including the Institution, are subject to such risk.

Possible Staffing Shortages

The health care industry occasionally experiences shortages of health care personnel, including nurses, respiratory therapists, radiation technicians, pharmacists and other trained health care technicians, which may be exacerbated by the COVID-19 pandemic and COVID-19 vaccination mandates related to certain employees. A nursing shortage is currently affecting many geographic areas of the country. It is possible that the nursing shortage will grow and that other professional shortages will reappear in the future. These personnel shortages may result in increased costs and lost revenues from time to time due to the need to hire agency staffing personnel at higher rates, increased compensation levels to retain current personnel, and the inability to operate at capacity due to the staff shortage. See "COVID-19 Pandemic – Vaccine Mandate" above.

Labor Relations and Collective Bargaining

Hospitals are large employers with a wide diversity of employees. Increasingly, employees of hospitals are becoming unionized, and many hospitals have collective bargaining agreements with one or more labor organizations. Employees subject to collective bargaining agreements may include essential nursing and technical personnel, as well as food service, maintenance and other trade personnel. Renegotiation of such agreements upon expiration may result in significant cost increases to hospitals. Employee strikes or other adverse labor actions may have an adverse impact on operations, revenue and hospital reputation. The Institution has certain labor contracts the earliest which expires in October of 2022. Management believes that such contract will be renewed in due course. See APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION – EMPLOYEES" for information about the Institution's unionized employees and labor contracts.

Class Actions

Hospitals, health systems and other health care providers have long been subject to a wide variety of litigation risks, including liability for care outcomes, employer liability, property and premises liability, and peer review litigation with physicians, among others. In recent years, consumer class action litigation has emerged as a potentially significant source of litigation liability for hospitals, health systems and other health care providers. These class action suits have most recently focused on hospital billing and collections practices and breaches of privacy, and they may be used for a variety of currently unanticipated causes of action. Since the subject matter of class action suits may involve uninsured risks, and since such actions often involve alleged large classes of plaintiffs, they may have material

adverse consequences on hospitals and health systems in the future. See "– Wage and Hour Class Actions and Litigation" below.

Pension and Benefit Fund Liabilities

The Institution may incur significant expenses to fund pension and benefit plans for employees and former employees and to fund required workers' compensation benefits. Funding obligations in some cases may be erratic or unanticipated and may require significant commitments of available cash needed for other purposes. In addition, to the extent investment returns are lower than anticipated or losses on investments occur, the Institution may also be required to make additional deposits in connection with pension fund liabilities. See APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION – EMPLOYEES – Retirement Plans" for information about defined benefit pension plans of the Institution.

Wage and Hour Class Actions and Litigation

Federal and state laws impose standards related to worker eligibility for overtime, based on job classification, eligibility and hours worked, as well as obligations to pay for or provide certain rest periods and similar requirements. Large employers with complex workforces, such as the Institution, are susceptible to actual and alleged violations of these standards. In recent years there has been a proliferation of lawsuits over these "wage and hour" lawsuits, often in the form of large class actions. For large employers, such as the Institution, such class actions can involve multi-million dollar claims, judgments and/or settlements. A major class action decided or settled adversely to the Institution could have a material adverse effect.

Action by Consumers and Purchasers of Health Care Services

Major purchasers of health care services also could take action to restrain hospital or other provider charges or charge increases. As a result of increased public scrutiny, it is also possible that the pricing strategies of hospitals may be perceived negatively by consumers, and hospitals may be forced to reduce fees for their services. Decreased utilization could result, and health care revenues may be negatively impacted. In addition, consumers and groups on behalf of consumers are increasing pressure for hospitals and other health care providers to be transparent and provide information about cost and quality of services that may affect future consumer choices about where to receive health care services.

Audits, Exclusions, Fines, Withholds and Enforcement Actions

Health care providers participating in Medicare and Medicaid are subject to audits and retroactive audit adjustments by fiscal intermediaries under the Medicare and Medicaid programs. From an audit, a fiscal intermediary may conclude that services may not have been provided under the direct supervision of a physician (to the extent so required), that a patient should not have been characterized as an inpatient, that certain services provided prior to admission as an inpatient should not have been billed as outpatient services, or that certain required procedures or processes were not satisfied, or that certain costs were unreasonable, not allowable, not incurred or incorrectly classified. As a consequence, payments may be retroactively disallowed or recouped. Regulations also provide for withholding of payments in certain circumstances, and such withholdings could have a substantial adverse effect on the financial condition of the health care provider, including, the Institution. Under certain circumstances, payments made may be determined to have been made as a consequence of improper claims subject to the federal and state statutes, subjecting the health care provider to civil or criminal sanctions. The Institution, as a health care provider, is subject to all such risks. See the information under the caption "REGULATION OF THE HEALTH CARE INDUSTRY".

Information Systems and Technology

The ability to adequately price and bill health care services and to accurately report financial results depends on the operability of a health care provider's electronic medical record ("*EMR*") and other information technology ("*IT*") systems and on the integrity of the data stored within information systems, as well as the operability of such systems. EMR and IT systems require an ongoing commitment of significant resources to maintain, protect and

enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards. There can be no assurance that efforts to upgrade and expand information systems capabilities, protect and enhance these systems, and develop new systems to keep pace with continuing changes in information processing technology will be successful or that additional systems issues will not arise in the future. From time to time, providers may need or choose to change or upgrade EMR systems. Such transfer can be costly and time consuming and have the potential to disrupt operational issues and create regulatory and operational issues such as data privacy issues, and implementation delays which in turn may have a material adverse effect on the Institution's business or financial condition.

The reliance on EMR and IT imposes expectations on physicians and other workforce members to be adept in using and managing such systems. It also introduces risks related to patient safety, and to the privacy, accessibility and preservation of health information. Technology malfunctions, training requirements, employee turnover or failure to understand and use information systems properly could result in the dissemination of or reliance on inaccurate information, as well as in disputes with patients, physicians and other health care professionals. Health information systems may also be subject to different or higher standards or greater regulation than other information technology or the paper-based systems previously used by health care providers, which may increase the cost, complexity and risks of operations. All of these risks may have adverse consequences on hospitals and health care providers.

Increasing Cost of Modern Technology

Technological advances and globalization in recent years have forced hospitals to acquire sophisticated and costly equipment to remain technologically current. Moreover, the growth of e-commerce may also result in a shift in the way that health care is delivered (i.e., from remote locations). For example, physicians will be able to provide certain services over the internet and pharmaceuticals and other health services may be purchased online. If, due to financial constraints, the Institution was less able to acquire new equipment required to remain technologically current, the operations and financial condition of the Institution could be materially adversely affected.

Medical discoveries and advancements, including the development of new drugs, devices or procedures, may add significantly to the Institution's cost of providing services, requiring costly new medical technology with no or little offsetting increase in federal reimbursement. Moreover, medical advancements also may render obsolete certain health care services, thereby either increasing expense or reducing revenues. The ability of the Institution to purchase and offer new medical technology and equipment may be subject to the availability of such equipment, specialists trained in such equipment or technology, governmental approval, or the ability to finance such acquisitions or operations. The implementation of new medical technology cannot be predicted but may have a material adverse effect on the Institution's business or financial condition.

Cyber-Attacks

The Institution relies on IT systems, including EMRs, to operate its facilities and process, transmit and store sensitive and confidential data, including the protected health information and personally identifiable information of its patients and employees, and proprietary and confidential business performance data. Although the Institution routinely monitors and tests the security of its IT systems and processes and implements appropriate security measures, IT systems are often subject to computer viruses, cyber-attacks by hackers (such as malware or ransomware attacks), or breaches due to employee error or malfeasance. Cyber-attacks specifically targeted at health systems have been occurring more frequently, and in some recent cases, have resulted in the disruption or temporary cessation of facility operations. On October 28, 2020, HHS, the Federal Bureau of Investigation, and the Cybersecurity and Infrastructure Agency issued an alert warning of an imminent cybercrime threat to U.S. hospitals and health care providers that could result in data theft and disruption of health care services. On January 11, 2022 the Cyber Security of Infrastructure Security Agency, issue an alert warning organizations of Russia State-sponsored Cyber threats to U.S. Infrastructure.

Any breach or cyber-attack that limits a health facility's ability to access its IT systems or otherwise compromises patient data could result in the disruption or cessation of facility operations, patient safety issues, the loss of patient records, the payment of significant ransoms, negative press, and/or the imposition of substantial fines or penalties for violation of HIPAA (defined below) or similar state privacy laws, any of which may adversely affect a health facility's business or financial condition. The Institution's IT security measures may not be sufficient to prevent cyber-attacks in the future, and as cybersecurity threats continue to evolve, the Institution may not be able to

anticipate certain attack methods in order to implement effective protective measures, and may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and the remediate any vulnerabilities, or invest in new technology designed to mitigate security risks. Reports indicate that health industry will spend from 2020-2025 upwards of $125 billion on cybersecurity products and services. Additionally, the Institution's IT systems routinely interface with and rely on third-party systems that are also subject to the risks outlined above and may not have or use appropriate controls to protect confidential information. A breach or attack affecting a third-party service provider could harm the Institution's business or financial condition. Although the Institution has insurance against some cyber risks and attacks, it may not be sufficient to offset the impact of a material loss event. See "REGULATION OF THE HEALTH CARE INDUSTRY".

Antitrust

Antitrust liability may arise in a wide variety of circumstances, including medical staff privilege disputes, contracting with commercial insurers, Managed Care Organizations and other third party payors, physician relations, joint ventures, merger, affiliation and acquisition activities and certain pricing or salary setting activities, as well as other areas of activity. The application of the federal and state antitrust laws to health care is still evolving, and enforcement activity by federal and state agencies appears to be increasing. The health care industry is expected to experience increased pressure from the Federal Trade Commission ("*FTC*") after President Biden signed an executive order on July 9, 2021 aimed at encouraging economic competition. The executive order targets health care as one of the sectors that will receive increased FTC enforcement and scrutiny. A primary point of concern is consolidation among hospitals. The executive order calls on the Attorney General and the chair of the FTC to review and consider revising the current horizontal and vertical merger guidelines. Additionally, it reiterates that the FTC and Department of Justice ("*DOJ*") are allowed to challenge prior mergers that are already consummated.

Violators of the antitrust laws may be subject to criminal and/or civil enforcement by federal and state agencies, as well as by private litigants in certain instances. At various times, the Institution may be subject to an investigation or inquiry by a governmental agency charged with the enforcement of the antitrust laws, or may be subject to administrative or judicial action by a federal or state agency or a private party. Common areas of potential liability are joint action among providers with respect to third party payor contracting and medical staff credentialing. With respect to third party payor contracting, the Institution may, from time to time, be involved in joint contracting activity with hospitals, physicians or other providers. The precise degree, if any, to which this or similar joint contracting activities may expose the participants to antitrust risk is dependent on a myriad of factual matters. Physicians who are subject to adverse peer review proceedings may file federal antitrust actions against hospitals and seek treble damages. Health care providers, including the Institution, regularly have disputes regarding credentialing and peer review, and therefore may be subject to liability in this area. In addition, health care providers occasionally indemnify medical staff members who are involved in such credentialing or peer review activities, and may, therefore, also be liable with respect to such indemnity.

Affiliations, Merger, Acquisition and Divestiture

As with many multi-hospital systems, the Institution discusses, plans for, evaluates and pursues potential mergers, joint ventures and affiliations as part of its overall strategic planning and development process. Discussions, planning and evaluation with respect to affiliations, mergers, acquisitions, dispositions and joint ventures, including those that may affect the Institution, are held on a confidential basis internally and with other parties. These are most often conducted with acute care hospitals or hospital systems. As a result, it is possible that the organizations, assets and operations that currently make up the Institution may change from time to time and that hospitals may be added or removed in the future.

As part of its ongoing planning and property management functions, the Institution reviews the use, compatibility and business viability of many of its operations, and from time to time the Institution may pursue changes in the use of, or disposition of, various assets of the Institution, including hospital facilities. Likewise, the Institution occasionally receives offers from, or conducts discussions with, third parties about the potential sale of some of the operations and properties of the Institution.

Currently, the Institution also has operating affiliations and joint ventures with other nonprofit and for-profit corporations. In certain instances, these affiliates may conduct operations that are of strategic importance to the Institution, or their operations may subject the Institution to potential legal or financial liabilities.

Workplace Safety Regulatory Laws and Regulations

Typical health care facility operations include the handling, use, storage, transportation, disposal and/or discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants and contaminants. As such, health care facility operations are particularly susceptible to the practical, financial and legal risks associated with compliance with environmental and occupational health and safety laws and regulations. In addition, the Occupational Safety and Health Commission ("*OSHA*") announced the implementation of an Emergency Temporary Standard ("*ETS*") for COVID-19 that applies to health care providers with certain limited exceptions. In addition, OSHA announced that it would be focusing its inspection and enforcement efforts on industries with higher COVID-19 risk, such as health care facilities and assisted living facilities. Compliance with environmental and occupational health and safety laws, including the ETS, may increase operating costs. Further, environmental and occupational health and safety risks may result in (1) damage to individuals, property or the environment, (2) the interruption of operations and/or increased costs, (3) legal liability, damages, injunctions, citations, or fines, and (4) investigations, administrative proceedings, civil litigation, criminal prosecution, penalties or other governmental agency actions. Such actions may not be covered by insurance. There is no assurance that the Institution will not encounter such problems in the future and such problems may result in material adverse consequences to the Institution's business or financial condition.

At the present time, management of the Institution is not aware of any pending or threatened claim, investigation or enforcement action regarding such environmental issues that, if determined adversely to the Institution, would have a material adverse effect on the results of operations or financial condition of the Institution as a whole.

Other Bondholders' Risks

In the future, the following factors, among others, may adversely affect the operations of health care providers, including the Institution, or the market value of the Series 2022 Bonds, to an extent that cannot be determined at this time:

1. Reduced demand for the services of the Institution that might result from decreases in population in their respective service areas.

2. Increased unemployment or other adverse economic conditions in the service area of the Institution which would increase the proportion of patients who are unable to pay fully for the cost of their care.

3. Any increase in the quantity of indigent care provided which is mandated by law or required due to increased needs of the community in order to maintain the charitable status of the Institution.

4. Regulatory actions which might limit the ability of the Institution to undertake capital improvements to their respective facilities or to develop new institutional health services.

5. The occurrence of a large-scale terrorist attack that increases the proportion of patients who are unable to pay fully for the cost of their care and that disrupts the operation of certain health care facilities by resulting in an abnormally high demand for health care services.

6. Instability in the stock market which may adversely affect both the principal value of, and income from, the Institution's investment portfolio.

7. The adoption of legislation or implementation of regulations establishing national or statewide rate regulation.

8. State or federal imposition of higher minimum or living wages.

9. The outcome of political elections or political or civil unrest.

10. Climate change.

11. An inflationary economy.

REGULATION OF THE HEALTH CARE INDUSTRY

General Health Care Industry Factors

The Institution, and the health care industry in general, are subject to regulation by a number of governmental agencies, including those which administer the Medicare and Medicaid programs, federal, state and local agencies responsible for administration of health planning programs and other federal, state and local governmental agencies. The health care industry is also affected by federal, state and local policies developed to regulate the manner in which health care is provided, administered and paid for nationally and locally. As a result, the health care industry is sensitive to legislative and regulatory changes in such programs and is affected by reductions and limitations in government spending for such programs as well as changing health care policies. The pressure to curb the rate of increase in federal spending in health care programs overall and on a per beneficiary basis is expected to increase as the U.S. population ages. Among other effects, this pressure may result in further reductions in payment rates for hospital services and increased utilization of managed care in the Medicare and Medicaid programs. In addition, Congress and other governmental agencies have focused on the provision of care to indigent and uninsured or underinsured patients, the prevention of "dumping" such patients on other hospitals in order to avoid provision of unreimbursed care, and other issues. Adoption of additional regulations in these areas could have an adverse effect on the results of operations of the Institution. Furthermore, laws promulgated by Congress and state legislatures, which regulate the manner in which health care services are provided and billed for, are increasing. As a result, the costs of complying with these laws and regulations are increasing. Some of the legislation and regulations affecting the health care industry are discussed in this section.

Federal and State Legislation; National Health Care Reform

General

A significant portion of the revenues of the Institution is derived from Medicare, Medicaid and other third-party payors. For a breakdown of the sources of payment for services provided by the Institution and its consolidated affiliates, see APPENDIX A – "INFORMATION CONCERNING THE INSTITUTION – PATIENT SERVICE REVENUE, PAYOR MIX AND REIMBURSEMENT METHODOLOGIES" hereto.

Medicare is the federally-funded government health insurance program for individuals over 65 regardless of income and individuals with permanent disabilities or with end-stage renal disease. Medicare is administered by CMS, through "Medicare Administrative Contractors". Medicaid is the joint federal and state health insurance program that, together with Child Health Plus, provides health coverage to certain low-income individuals and children and individuals with disabilities. Medicaid benefits are available through a state's Medicaid program, within prescribed limits, to persons meeting certain minimum income or other need requirements.

Significant changes have been and will likely continue to be made in these programs, which changes could have an adverse impact on the financial condition of the Institution. In addition, legislation has in the past and may in the future be introduced in Congress which, if enacted, could adversely affect the operations of the Institution by, for example, decreasing payment by Medicare and Medicaid and other third-party payors or limiting the ability of the physicians on the medical staff of the Institution to provide services or increase services provided to patients.

The discussion herein describes risks associated with certain existing federal and state laws, regulations, rules, and governmental administrative policies and determinations to which the Institution and the health care industry are subject. These are regularly subject to change. Additionally, because health care regulations are particularly

complex, such regulations may be interpreted and enforced in a manner that is inconsistent with the Institution's interpretation. The Institution's business or financial condition could be harmed if it is alleged to have violated existing health care regulations or if it fails to comply with new or changed health care regulations. Furthermore, health care, as one of the largest industries in the United States, continues to attract much legislative interest and public attention. Further changes in the health care regulatory framework which increase the burdens on health care providers could have a material adverse impact on Institution's business or financial condition.

Many of the health care laws and regulations discussed below were amended by, enacted by, or promulgated pursuant to the ACA (discussed below). There can be no assurances that any current health care laws and regulations, in addition to the ACA, will remain in their current form. Additionally, there can be no assurances that any potential changes to the laws and regulations governing health care would not have a material adverse financial or operational impact on the Institution. Therefore, the following discussion should be read with the understanding that significant changes could occur in the foreseeable future in many of the statutory and regulatory matters discussed.

Affordable Care Act

The ACA has significantly changed, and continues to change, how health care services are covered, delivered, and financed in the United States. The primary goal of the ACA - extending health coverage to millions of uninsured legal U.S. residents - has taken place through a combination of private sector health insurance reforms and Medicaid program expansion (discussed below). To fund Medicaid expansion, the ACA includes a broad array of quality improvement programs, cost-efficiency incentives, and enhanced fraud and abuse enforcement measures, each designed to generate savings within the Medicare and Medicaid programs. Additionally, the ACA created health insurance exchanges – competitive markets for individuals and small employers to purchase health insurance - and financial programs designed to encourage insurance companies to offer plans on the health insurance exchanges.

Due to the controversial nature of health care reform generally, implementation of the ACA has been, and remains, politically controversial. Previously, Republican leaders of Congress have repeatedly cited health care reform and particularly repeal and replacement of the ACA, as a key goal. These actions included introducing and voting on various bills aimed at repealing and replacing all or portions of the ACA. While no bills wholly repealing the ACA have passed both chambers of Congress, the Tax Cuts and Jobs Act effectively eliminated a key provision of the ACA – a tax penalty associated with failing to maintain health coverage (the "*Individual Mandate Tax Penalty*") by reducing the penalty to zero dollars effective 2019. In addition to actual and possible legislative changes, executive branch actions can also have a significant impact on the viability of the ACA. President Biden is expected to undertake executive actions that will strengthen and build on the ACA and may reverse certain policies of the prior administration that are seen as undermining the ACA.

Other efforts to weaken the ACA included the Trump administration's refusal to defend key parts of the ACA in a federal case filed in Texas (discussed below), where plaintiffs have argued that the ACA is unconstitutional as a result of the repeal of the Individual Mandate Tax Penalty. On December 14, 2018, a Texas Federal District Court judge, in the case of *Texas v. Azar* declared the ACA unconstitutional, reasoning that the Individual Mandate Tax Penalty was essential to and inseverable from the remainder of the ACA. The case was appealed to the U.S. Court of Appeals for the Fifth Circuit. On December 18, 2019, the U.S. Court of Appeals for the Fifth Circuit affirmed the Texas Federal District Court judge's ruling that the Individual Mandate Tax Penalty was unconstitutional but stopped short of invalidating the entirety of the ACA. The Fifth Circuit remanded the case to the Texas District Court to reconsider whether the remainder of the ACA is severable or must also be held unconstitutional. On March 2, 2020, the U.S. Supreme Court agreed to hear two consolidated cases, filed by the State of California and the United States House of Representative, asking the Supreme Court to review the severability issue. On June 17, 2021, the U.S. Supreme Court dismissed the case, finding that the plaintiffs lacked standing.

Management of the Institution cannot predict the effect of the elimination of the Individual Mandate Tax Penalty, the likelihood of any future ACA repeal bills or other health care reform bills becoming law, or the subsequent effects of any such laws or legal decisions, though such effects could materially impact the Institution's business or financial condition. In particular, any legal, legislative or executive action that (i) reduces federal health care program spending, (ii) increases the number of individuals without health insurance, (iii) reduces the number of people seeking health care, or (iv) otherwise significantly alters the health care delivery system or insurance markets could have a material adverse effect on the Institution's business or financial condition.

Executive branch actions can also have a significant impact on the viability of the ACA. For example, the Trump administration issued broad executive orders aimed at de-regulation, including: (i) requiring federal agencies to remove two previously implemented regulations for every new regulation added, and (ii) directing each federal agency to set up a "regulatory reform task force" to review existing regulations and eliminate those that are costly or unnecessary. Additionally, the Trump administration took several executive actions directly aimed at the ACA, including actions: (i) requiring federal agencies with authorities and responsibilities under the ACA to "exercise all authority and discretion available to them to waive, defer, grant exemptions from, or delay" parts of the law that place "unwarranted economic and regulatory burdens" on states, individuals or health care providers, (ii) instructing federal agencies to make new rules allowing the proliferation of "association health plans" and short – term health insurance, which plans have fewer benefit requirements than those sold through ACA insurance exchanges, (iii) ordering the federal government to withhold ACA cost-sharing subsidies currently paid to insurance companies in order to reduce deductibles and co-pays for many low-income people, (iv) enabling the formation of health plans exempt from ACA essential health benefits requirements, (v) expanding the availability of short-term, limited duration health insurance, (vi) eliminating cost-sharing reduction payments to insurers that would otherwise offset deductibles and other out-of-pocket expenses for health plan enrollees at or below 250% of the poverty level, (vii) relaxing requirements for state innovation waivers that could reduce enrollment in the individual and small group markets and lead to additional enrollment in short-term, limited duration insurance and association health plans, and (viii) incentivizing the use of health reimbursement arrangements by employers to permit employees to purchase health insurance on the individual market. Although the Biden administration has repealed some of these executive actions, the uncertainty resulting from these executive actions likely contributed to reduced ACA exchange enrollment in 2018 with final CMS reported data for 2019 and 2020 indicating further decline, and with enrollment expected to further worsen the individual and small group market risk pools in future years. It is also anticipated that these and future policies may create additional cost and reimbursement pressures on hospitals.

These executive actions have the potential to significantly impact the insurance exchange market by causing a reduction in the number of healthy individuals in the ACA health insurance exchanges, a reduction in the number of plans available on the health insurance exchanges, and/or an increase in insurance premiums. Management of the Institution cannot predict the likelihood or effect of any current or future executive actions on the Institution's business or financial condition, though such effects could be material.

The majority of the ACA remains law. Certain key provisions of the law are briefly described below:

Private Health Insurance Coverage Expansion/Insurance Market Reforms. As originally drafted, the ACA included the Individual Mandate Tax Penalty (discussed above) which required most Americans to maintain "minimum essential" health insurance coverage or pay a yearly tax penalty to the federal government. Individuals who were not deemed exempt from the Individual Mandate Tax Penalty and otherwise did not obtain health insurance coverage through an employer or government program were expected to satisfy the mandate by purchasing insurance from a private company or through a "health insurance exchange". The health insurance exchanges are government-established organizations that provide competitive markets for buying health insurance by offering individuals and small employers a choice of different health plans, certifying plans that participate, and providing information to help consumers better understand their options. The Tax Cuts and Jobs Act effectively eliminated the Individual Mandate Tax Penalty by reducing the penalty to zero dollars effective 2019. While the effect of the elimination of the Individual Mandate Tax Penalty is uncertain, it has been predicted that it will result in fewer healthy individuals purchasing insurance (through the exchanges or otherwise) and increase the number of uninsured individuals.

The effect of the health insurance exchange market on the reimbursement rates paid by health insurers, and accordingly on health care providers' business or financial condition, cannot be predicted. The health insurance exchanges may have a positive impact for health care facilities to the extent they increase the number of individuals with health insurance. Conversely, health insurance exchanges may have a negative financial impact on health care providers to the extent (i) insurance plans purchased on the exchanges reimburse providers at lower rates, or (ii) high-deductible plans offered on the exchanges become more prevalent and lead to lower inpatient volumes as patients chose to forgo medical treatment. However, it is unclear whether the exchanges will continue to be a viable mechanism for the provision of health insurance. Many participating insurance companies have sustained financial losses and either ceased offering plans on the health insurance exchanges or increased their premiums.

The ACA also includes an "employer mandate". The "employer mandate" provisions require the imposition of penalties on employers having 50 or more employees that do not offer qualifying health insurance coverage to those working 30 or more hours per week. The ACA also established a number of other health insurance market reforms, including bans on lifetime limits and pre-existing condition exclusions, new benefit mandates, and increased dependent coverage (until the age of 26).

Management of the Institution cannot predict the future of the health insurance markets or the effects of current and future health reform efforts on such markets, though such effects may materially affect the Institution's business or financial condition.

Medicaid Expansion. Another key provision of the ACA is the expansion of Medicaid coverage. Prior to the passage of the ACA, the Medicaid program offered federal funding to states to assist limited categories of low-income individuals (including children, pregnant women, the blind and the disabled) in obtaining medical care. The ACA permits states to expand Medicaid program eligibility to virtually all individuals under 65-years old with incomes up to 138% of the federal poverty level, and provides enhanced federal funding to states that opt to expand. There is no deadline for a state to undertake expansion and qualify for the enhanced federal funding available under the ACA. For states that choose not to participate in the federally funded Medicaid expansion, the net positive effect of ACA reforms has been significantly reduced.

Spending Reductions. The ACA contains a number of provisions designed to significantly reduce Medicare and Medicaid program spending, including: (1) negative adjustments to the "market basket" updates for Medicare's inpatient, outpatient, long-term acute and inpatient rehabilitation prospective payment systems, and (2) reductions to Medicare and Medicaid disproportionate share hospital ("*DSH*") payments. Any reductions to reimbursement under the Medicare and Medicaid programs could have a material adverse impact on the Institution's business or financial condition to the extent such reductions are not offset by increased revenues from providing care to previously uninsured individuals.

Quality Improvement and Clinical Integration Initiatives. The ACA mandated the creation of a number of payment reform measures designed to incentivize or penalize hospitals based on quality, efficiency and clinical integration measures and authorizes the Center for Medicare & Medicaid Innovation within CMS to develop and test new payment methodologies designed to improve quality of care and lower costs. Current programs include (1) the "Readmission Reduction Program", which reduces Medicare payments by specified percentages to hospitals with excess or preventable hospital admissions based on historical discharge data, (2) the "Hospital Value-Based Purchasing Program," which imposes an across-the-board reduction in inpatient reimbursement and then reallocates and redistributes those funds to hospitals based upon quality and patient experience measures, and (3) the "Hospital-Acquired Condition Reduction Program", which negatively adjusts payments to applicable hospitals that rank in the worst-performing quartile for risk-adjusted hospital-acquired condition measures. The Institution is not currently aware of any situation in which an ACA quality, efficiency, or clinical integration program is materially adversely affecting the business or financial condition of the Institution. However, the Institution's business or financial condition may be adversely affected by such programs in the future.

Fraud and Abuse Enforcement Enhancements. In an attempt to reduce unnecessary health care spending, the ACA includes a number of provisions aimed at combating fraud and abuse within the Medicare and Medicaid programs. Such provisions provide increased federal funding to fight health care fraud and abuse, provide government agencies with additional enforcement tools and investigation flexibility, facilitate cooperation between agencies by establishing mechanisms for information sharing, and enhance criminal and administrative penalties for non-compliance with the federal fraud and abuse laws (e.g., the Anti-Kickback Statute, the Stark Law and False Claims Act, each as defined and discussed below). Management of the Institution is not currently aware of any pending recovery audit which, if determined adversely to the Institution, would materially adversely affect the business or financial condition of the Institution.

Full Impact of ACA Difficult to Predict. To the extent the ACA remains law, it is difficult to predict the full impact of the ACA on the Institution's future revenues and operations at this time due to uncertainty regarding a number of material factors, including: (i) the number of uninsured individuals to ultimately obtain and retain insurance coverage as a result of the ACA, (ii) the percentage of any newly insured patients covered by Medicaid versus a commercial plan, (iii) the pace at which insurance coverage expands, (iv) future changes in the reimbursement rates

and methods, (v) the percentage of individuals in the exchanges who select the high-deductible plans, (vi) the extent to which the enhanced program integrity and fraud and abuse provisions lead to a greater number of civil or criminal actions, (vii) the extent to which the ACA tightens health insurers' profits, causing the plans to reduce reimbursement rates, (viii) the extent of lost revenues, if any, resulting from ACA quality initiatives, and (ix) the success of any clinical integration efforts or programs in which the Institution participates.

Medicare Reimbursement

General. The Institution is highly dependent on Medicare reimbursement. Approximately 34% of the net patient service revenues of the Institution for the fiscal year ended 2021 were derived from Medicare and other governmental programs. See "INFORMATION CONCERNING THE INSTITUTION – FINANCIAL AND OPERATING INFORMATION – Payor Mix". Because of this dependence, additional Medicare payment reductions affecting the Medicare program may have a material adverse impact on the Institution's business or financial condition. A substantial portion of the Medicare revenues of the Institution is derived from payments made for services rendered to Medicare beneficiaries under a prospective payment system ("*PPS*"). Under a prospective payment system, the amount paid to the provider for an episode of care is established by federal regulation and is not related to the provider's charges or costs of providing that care. Presently, inpatient and outpatient services, skilled nursing care, and home health care are paid on the basis of a prospective payment system. Under inpatient PPS, fixed payment amounts per inpatient discharge are established based on the patient's assigned diagnosis related group, or DRG (defined below). The capital component of care is paid on a fully prospective basis. PPS-exempt hospitals and units are currently reimbursed for their reasonable costs, subject to a cost per discharge target. These limits are updated annually by an index generally based upon inflationary increases in costs of providing health care services.

From time to time, the factors used in calculating the prospective payments for units of service are modified by CMS, which may reduce revenues for particular services. In addition, as part of the federal budgetary process, Congress has regularly amended the Medicare law to reduce increases in payments that are otherwise scheduled to occur, or to provide for reductions in payments for particular services. These actions could adversely affect the revenues of the Institution.

Under the ACA, additional payments may be made to individual providers. Hospitals that treat a disproportionately large number of low-income patients (Medicaid and Medicare patients eligible to receive supplemental Social Security income) currently receive additional payments in the form of DSH payments. Additional payments are made to hospitals that treat patients who are costlier to treat than the average patient; these additional payments are referred to as "outlier payments". Also, hospitals are paid for a portion of their direct and indirect medical education costs. These additional payments are also subject to reductions and modifications in otherwise scheduled increases as a result of amendments to relevant statutory provisions. The Institution has qualified for DSH payments in the past, but there can be no assurance that it will qualify for DSH status in the future.

Current or new legislation that reduces Medicare payments could adversely affect the Institution. There is no assurance that the Institution will be paid amounts that will reflect adequately its costs incurred in providing inpatient hospital services to Medicare beneficiaries, as well as any changes in the cost of providing health care or in the cost of health care technology being made available to Medicare beneficiaries. The ultimate effect on the Institution will depend on its ability to control costs involved in providing inpatient hospital services.

Site-Neutral Reimbursement

Medicare services performed at off-campus hospital outpatient departments ("*HOPDs*") have traditionally been reimbursed under the Medicare Hospital Outpatient Prospective Payment System ("*OPPS*"), while services performed in freestanding clinics (e.g. free standing ambulatory surgery centers or physician offices) have been reimbursed at the lower Medicare Physician Fee Schedule rate. In 2017, Congress mandated a "site-neutral" reimbursement policy to reduce payment discrepancies for identical services performed at HOPDs opened or acquired after November 2, 2015 and other facilities. Pursuant to the 2019 OPPS final rule, CMS implemented a policy expanding the site neutral payment policy to "grandfathered" HOPDs (HOPDs opened or acquired before November 2, 2015) as well. Although the American Hospital Association and others have challenged the expansion of the site-neutral payment policy a federal appellate court has ruled that CMS may apply the site-neutral payment policy to the grandfathered HOPDs and the U.S. Supreme Court declined to hear an appeal of that rule. Implementation of a site-

neutral payment policy for grandfathered HOPDs is likely to have a significant financial impact on hospitals in the form of reduced OPPS payments.

Hospital Inpatient Reimbursement

Hospitals are generally paid for inpatient services provided to Medicare beneficiaries through an inpatient PPS ("*IPPS*") based on established categories of treatments or conditions known as diagnosis related groups ("*DRGs*"). DRGs are a system of classifying inpatient hospital services based on a person's medical diagnosis, any secondary diagnoses, surgical procedures, age, sex and presence of any complications. Payments are made to hospitals based on the DRG assignment for each patient's diagnosis. Hospital reimbursement will be set at specific rates established by Medicare for that particular patient's DRG, regardless of the actual costs incurred by the hospital for such treatment. CMS established a new DRG classification system in its 2008 IPPS Final Rule, which categorizes base DRGs by severity and weight. The actual cost of care, including capital costs, may be more or less than the DRG rate. DRG rates are subject to adjustment by CMS and are subject to federal budget considerations. There is no guarantee that DRG rates, as they change from time to time, will cover actual costs of providing services to Medicare patients.

Hospital Outpatient Reimbursement

Hospitals generally are paid for outpatient services provided to Medicare beneficiaries based on established categories of treatments or conditions known as ambulatory payment classifications ("*APC*"). The actual cost of care, including capital costs, may be more or less than the reimbursements based on APCs. There is no guarantee that hospital outpatient reimbursement will cover actual costs of providing services to Medicare patients.

Section 340B Drug Pricing Program

Entities that participate in the prescription drug discount program established under Section 340B of the federal Public Health Service Act (the "*340B Program*") are able to purchase certain outpatient drugs for patients at a reduced cost. Effective January 1, 2018, CMS imposed large cuts on such discounts. Such cuts are currently being challenged in federal court and the U.S. Supreme Court heard oral arguments in the case in November, 2021. A decision is expected sometime this year for drugs reimbursed under Medicare Part B. The final result of such lawsuit cannot be predicted. Congressional and administrative efforts have also been made, seeking to tighten 340B Program eligibility requirements and reduce the scope of the program. In the summer of 2020, drug makers started to restrict 340B sales to contract pharmacies, which are used by 340B covered entities to dispense drugs to more patients, arguing that the 340B statute does not mention pharmacies. HRSA fought back, and multiple federal lawsuits are ongoing. The final results of such lawsuits cannot be predicted. The number of drug makers restricting such sales, however, continues to increase. HRSA has proposed to further increase 340B Program drug discounts in 2022. Future legal, legislative or administrative changes to the 340B Program which result in a loss of 340B eligibility, or further decreases in 340B Program drug discounts, could have a material adverse effect on the Institution. In addition, the rules and regulations applicable to participation in the 340B Program are technical, complex, numerous and may not fully be understood or implemented by billing or reporting personnel. Failure to comply with the 340B Program requirements or rules could result in exclusion from the 340B Program thus significantly increasing costs for drugs as well as creating a repayment obligation, which in either case could have a material adverse effect on the operations or financial condition of the Institution.

Medical Education Payments

Medicare currently pays for a portion of the costs of medical education at hospitals that have teaching programs. These payments are vulnerable to reduction or elimination. The direct and indirect medical education reimbursement programs have repeatedly emerged as targets in the legislative efforts to reduce the federal budget deficit. There can be no assurance that medical education payments will remain at current levels.

Physician Payments

Payment for physician fees is covered under Part B of Medicare. Under Part B, physician services are reimbursed primarily on the basis of a fee schedule known as the "resource-based relative value scale" or "RBRVS". The physician fee schedule covers payments for thousands of types of services in physician offices, hospitals, and other settings based on a formula to determine the amount Medicare will pay for each service.

In April 2015, the Medicare and CHIP Reauthorization Act ("*MACRA*") moved Medicare physician reimbursement from a fee-for-service to a pay-for-performance model that will continue to control the growth of physician payments based on clinical outcomes and quality reporting. MACRA increased physician reimbursement by 0.5% annually until 2019, by 0.25% in 2019 pursuant to the Bipartisan Budget Act of 2018, and then provides for no additional increases to base physician reimbursement through 2025. In addition to the base payment methodology, physicians can earn merit-based

Beginning January 1, 2026, and effective January 1 of each subsequent calendar year, physician payments will be increased 0.75% for physicians who participate in eligible alternative payment models, but physician payments will be increased only 0.25% for those who do not. CMS makes numerous payment policy changes for physician professional services from year to year. Some of those changes might have an adverse effect on the Institution.

There are also a number of substantive reimbursement rules for physicians, including but not limited to the final anti-markup rule, e-prescribing incentives, quality reporting measures and the expansion of tele-health coverage reimbursement. The anti-markup rule provides that, if a physician, other supplier or related party orders a diagnostic test that is either purchased from an outside supplier or performed at a location other than the referring physician's office, the physician or other supplier is limited to billing the lowest of the "net charge" paid for the test; the physician's or other supplier's actual charge; or the Medicare Fee Schedule amount. CMS has also adopted limits on reimbursement for multiple imaging procedures. The outcomes of these rules, including the likelihood of being revised or expanded, or the establishment of new rules, and their effect on health care providers cannot be predicted.

Medicaid Reimbursement

The Institution is dependent on Medicaid reimbursement. Approximately 30% of the net patient services revenues of the System for the fiscal year ended 2021 were derived from Medicaid programs. See "INFORMATION CONCERNING THE INSTITUTION – FINANCIAL AND OPERATING INFORMATION – Payor Mix". Because of this dependence, additional Medicaid payment reductions affecting the Medicaid program may have a material adverse impact on the Institution's business or financial condition. Payments made to health care providers under the Medicaid program are subject to changes as a result of federal or state legislative and administrative actions, including further changes in the methods for calculating payments, the amount of payments that will be made for covered services and the types of services that will be covered under the program. Such changes have occurred in the past and may continue to occur in the future, particularly in response to federal and state budgetary constraints coupled with increased costs for covered services.

Healthcare organizations participating in the Medicaid program are subject to numerous requirements and regulations under the program. Failure to remain in compliance with any program requirements may subject the Medicaid provider to civil and/or criminal penalties, including fines and suspension or expulsion from the program, preventing the provider from receiving any funds under the Medicaid program. Noncompliance with Medicaid requirements, and suspension or exclusion from the Medicaid program, can also be a basis for mandatory or permissive suspension or exclusion from the Medicare program.

Significant changes have been and may be made in the Medicaid program which could have a material adverse effect on the financial condition of the Institution. For example, under Medicaid, the federal government provides limited funding to states that have medical assistance programs that meet federal standards, and the ACA provides significantly enhanced federal funding for states to expand their Medicaid program to virtually all non-elderly, non-disabled adults with incomes up to 138% of the federal poverty level. Attempts to balance or reduce the federal and state budgets by decreasing funding of Medicaid may negatively impact spending for Medicaid and other state health care programs spending. Health care providers have been affected significantly in the last several years by changes to federal and state health care laws and regulations, particularly those pertaining to Medicaid. The purpose

of much of this statutory and regulatory activity has been to contain the rate of increase in health care costs, particularly costs paid under the Medicaid program. Diverse and complex mechanisms to limit the amount of money paid to health care providers under the Medicaid program have been enacted, and may have a material adverse effect on the operations or financial condition of the Institution.

State Medicaid Programs

While state Medicaid programs are rarely as important as the Medicare program to the operations, financial condition and financial performance of hospitals and other health care providers, state Medicaid programs nevertheless constitute an important payor source for many hospitals and other health care providers. These programs often pay hospitals and other health care providers at levels that are substantially below the actual cost of the care provided. Medicaid is jointly funded by states and the federal government, and adverse economic conditions that reduce state revenues or changes to the federal government's methodology for funding state Medicaid programs may result in lower funding levels and/or payment delays. This could have a material adverse effect on operations, financial condition and financial performance of hospitals and other health care providers, including the Institution.

State Directed Payment Template

DOH has been working on a revised State Directed Payment template ("*DPT*") submission in response to initial questions from CMS. DOH submitted a revised preprinted application for a DPT to CMS. The Institution has submitted an application to DOH and believes that it is eligible to receive such funds but there is no assurance that the Institution shall receive such funds. Both eligibility and the enhanced rates are subject to change in the future.

The revised application to CMS includes enhanced rates for both inpatient and outpatient services, whereas the initial methodology included only inpatient services. The enhanced rate under the DPT is limited to Medicaid Managed Care and is implemented through a new Minimum Fee Schedule ("*MFS*"), which will be built into the rate sheet as a fixed dollar amount "rate add-on".

Children's Health Insurance Program

The Children's Health Insurance Program ("*CHIP*") is a federally funded insurance program for families that are financially ineligible for Medicaid, but cannot afford commercial health insurance. CMS administers CHIP, but each state creates its own program based upon minimum federal guidelines. CHIP insurance is provided through private health plans contracting with the state. Each state must periodically submit its CHIP plan to CMS for review to determine if it meets the federal requirements. If it does not meet the federal requirements, a state can lose its federal funding for the program.

From time to time, Congress and/or the President may seek to expand, reduce or fail to authorize CHIP. The ACA authorized an extension of the CHIP program through September 30, 2015. MACRA extended the CHIP program through September 30, 2017. Former President Trump signed a six-year reauthorization of CHIP into law on January 22, 2018. On February 9, 2018, Congress voted to extend CHIP for an additional four years, effectively extending CHIP through 2027.

Medicare/Medicaid Conditions of Participation

Certain health care facilities must comply with standards called "Conditions of Participation" in order to be eligible for Medicare and Medicaid reimbursement. Under the Medicare rules, hospitals accredited by an approving accrediting body, such as The Joint Commission or DNV are deemed to meet most of the Conditions of Participation. However, CMS may request that the state agency responsible for licensing hospitals, on behalf of CMS, conduct a "sample validation survey" of a hospital to determine whether it is complying with the Medicare or Medicaid Conditions of Participation. Failure to maintain accreditation or to otherwise comply with the Conditions of Participation could have a material adverse effect on the financial condition of the Institution.

Audits, Fines, Withholds and Enforcement Actions

The DOJ, the Federal Bureau of Investigation and the DHHS Office of the Inspector General ("*OIG*"), and the State Attorney Generals' Offices and Offices of the Medicaid Inspector General ("*OMIG*"), have been conducting investigations and audits of the billing practices of many health care providers. The Institution may be required to undergo such audits by one or more of these agencies and may be required to make payments to resolve any such audits. It is possible that any such payments may be substantial and could have a material adverse effect on the results of operations or financial condition of the Institution.

In addition, HIPAA (defined and described below) also added provisions that outlaw certain types of manipulative Medicare billing practices. These include improperly coding (for billing purposes) services rendered in order to claim a higher level of reimbursement and billing for the provision of services or items that were not medically necessary. HIPAA also created two new crimes that are based on the traditional crimes of fraud and theft but are applied specifically to health benefit programs. This law increases the legal risk of provider billing and increases the risk that a Medicare provider will be the subject of a fraud investigation.

Through HIPAA, Congress also established a Medicare Integrity Program which required CMS to contract with program integrity organizations to review providers' activities, conduct audits and educate providers regarding fraud and abuse issues. Ten years later, Congress used the Medicare Integrity Program as a model for establishing a federal Medicaid Integrity Program to combat fraud and abuse in the state Medicaid programs. Congress determined this federal program was necessary due to substantial variations in Medicaid enforcement efforts on both the federal and state levels. CMS contracts with Unified Program Integrity Contractors ("*UPICs*") to conduct investigations and audits related to activities in an effort to reduce fraud, waste, and abuse in both the Medicare and Medicaid programs. UPICs perform review audits generally to determine trends and patterns of aberrant Medicare/Medicaid billing practices through data mining, perform pre- and post-payment reviews of individual providers through desk and field audits, and refer instances of fraud to law enforcement agencies.

Medicare and Medicaid audits may result in reduced reimbursement or repayment obligations related to past alleged overpayments and may also delay Medicare or Medicaid payments to providers pending resolution of the appeals process. The ACA gave DHHS the authority to suspend Medicare and Medicaid payments to a provider or supplier during a pending investigation of fraud. The ACA also amended certain provisions of the FCA (as defined below) to include retention of overpayments as a basis for a FCA action. Medicare and Medicaid providers/suppliers must report and return an identified overpayment by the later of 60 days after the overpayment was identified, or the date the corresponding cost report is due, if applicable. The provider/supplier must exercise appropriate diligence in identifying overpayments (e.g., through regular internal audits) and must explain in writing the reason for the overpayment. Overpayments must be reported and returned only if a provider or supplier identifies the overpayment within six years of the date the overpayment was received.

CMS has implemented a Medicare Fee-for-Service Recovery Audit Program on a nationwide basis pursuant to which CMS contracts with private Recovery Audit Contractors ("*RACs*") to conduct pre- and post-payment reviews to identify and correct improper Medicare payments. The ACA expanded the RAC's scope to include managed Medicare plans and Medicaid claims. CMS also contracts with other entities to perform post-payment audits of Medicare and Medicaid claims to identify overpayments, including Medicare Administrative Contractors, Comprehensive Error Rate Testing contractors and Supplemental Medical Review Contractors. Hospitals subject to any of these audits may see retroactively reduced payment and incur higher administration costs.

Exclusions from Medicare or Medicaid Participation

The government must exclude from Medicare and Medicaid program participation a health care provider that is convicted of a criminal offense relating to the delivery of any item or service reimbursed under Medicare or a state health care program, any criminal offense relating to patient neglect or abuse in connection with the delivery of health care, fraud against any federal, state or locally financed health care program or an offense relating to the illegal manufacture, distribution, prescription or dispensing of a controlled substance. The government also may exclude individuals or entities under certain other circumstances, such as an unrelated conviction of fraud or other financial misconduct relating either to the delivery of health care in general or to participation in a federal, state or local government program. Exclusion from the Medicare and Medicaid programs means that a health care provider would

be decertified and no program payments can be made. Any exclusion of the Institution could be a materially adverse event.

Review of Outlier Payments

CMS is reviewing health care providers that are receiving large proportions of their Medicare revenues from outlier payments. Health care providers found to have obtained inappropriately high outlier payments will be subject to further investigation by the CMS Program Integrity Unit and potentially the OIG.

Surprise Billing

The 2021 Consolidated Appropriations Act included legislation designed to address surprise medical bills that patients may incur as a result of receiving non-emergency services from an out-of-network provider at an in-network facility or having to receive emergency medical care at an out-of-network facility or an out-of-network provider (the "*No Surprises Act*"). Effective January 1, 2022, patients are protected from surprise medical bills that could arise from out-of-network emergency care, certain ancillary services provided by out-of-network providers at in-network facilities in connection with non-emergency services, and for out-of-network care provided at in-network facilities without the patient's written consent to waive their balance bill protections. If a patient receives a surprise bill the patient will be required to pay only the in-network cost-sharing amount, which will count toward the patient's health plan deductible and out-of-pocket cost-sharing limits. Providers generally are not permitted to balance bill patients beyond this cost-sharing amount unless the consent criteria have been met. Both providers and health plans are required to inform patients about these protections. Violations could result in state enforcement action or federal civil monetary penalties of up to $10,622 (as recently adjusted for inflation). Although surprise billing laws are important for protecting patients, they can reduce the bargaining power of hospitals with payers and may ultimately lead to lower revenues. The ultimate effect of the No Surprises Act on the Institution's operations and financial condition cannot be predicted at this time.

Price Transparency Rule

On January 1, 2021, the CMS Price Transparency Rule (the "*Price Transparency Rule*") went into effect, requiring hospitals to publish gross charges, discounted cash prices, payor-specific negotiated charges, and minimum and maximum negotiated charges for all items and services provided by the hospital. Hospitals are also required to publish a consumer-friendly list of standard charges for at least 200 shoppable services – generally, non-emergency services that patients can schedule in advance. The Price Transparency Rule could result in further legislative or regulatory action to restrain hospital rates or charges. Additionally, the availability of competitively sensitive rate information among hospitals, insurers, and employer sponsors of group health plans could lead to market distortions and possible anti-competitive effects that could impact hospital rates and revenue. The publication of hospital standard charges, including negotiated charges, could also result in changes to patient choice that may negatively impact the Institution. Accordingly, compliance with the Price Transparency Rule could potentially have a material adverse effect upon the future financial condition and operations of the Institution. However, CMS and states are actively monitoring hospital compliance with the Price Transparency Rule. Failure to comply with these requirements may result in daily monetary penalties to the hospital (effective March 17 2022 the maximum per-day $5,500).

HIPAA and State Privacy Laws

The Health Insurance Portability and Accountability Act of 1996, as amended, and its implementing regulations ("*HIPAA*") provides privacy and security requirements for safeguarding medical information. HIPAA, which applies to business associates, health plans, health care clearinghouses, and health care providers who conduct the standard health care transactions electronically, includes (i) a "privacy rule," which sets forth national standards for the protection of individually identifiable protected health information ("PHI"), (ii) a "security rule", which sets forth national standards for protecting the confidentiality, integrity, and availability of electronic PHI and (iii) the breach notification regulations which require notifications when there is unauthorized access, use or disclosure of protected health information. Failure to comply with HIPAA can result in both criminal and civil fines and penalties. States may have privacy or consumer protection laws that are broader than HIPAA, and unlike HIPAA, authorize a private right of action as well as civil criminal penalties. Management of the Institution believes the Institution is in material compliance with HIPAA and similar state privacy laws and regulations, including breach report obligations,

but no assurance can be given that a violation resulting in penalties will not occur. Any sanctions imposed as a result of a HIPAA or state privacy law violation could have a material adverse effect on the Institution's business or financial condition.

Civil and Criminal Fraud and Abuse Laws and Enforcement

The federal Civil Monetary Penalties Law ("*CMP Law*") provides for administrative sanctions against health care providers for a broad range of billing and other abuses. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Under the ACA, Congress amended the CMP Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment, (ii) failing to grant the OIG timely access for audits, investigations, or evaluations, and (iii) failing to report and return a known overpayment within statutory time limits. The CMP Law authorizes imposition of civil monetary penalties, adjusted yearly for inflation, currently ranging from $20,000 to over $100,000 for each item or service improperly claimed and each instance of prohibited conduct, plus three times the amount of damages sustained by the government. For protected and serious violations the fines can be in excess of a million dollars. Health care providers may be found liable under the CMP Law even when they did not have actual knowledge of the impropriety of the claim. It is sufficient that the provider "should have known" that the claim was false, and ignorance of the Medicare regulations is no defense.

False Claims Act

The federal False Claims Act ("*FCA*") makes it illegal to knowingly submit or present a false, fictitious or fraudulent claim to the federal government (e.g., the Medicare or Medicaid programs) for payment or approval for payment. Because the term "knowingly" is defined broadly under the law to include not only actual knowledge but also deliberate ignorance or reckless disregard of the facts, the FCA can be used to punish a wide range of conduct. Accordingly, FCA investigations and cases have become common in the health care industry and may cover a range of activity from intentionally inflated billings, to highly technical billing infractions, to allegations of unnecessary or inadequate care. Additionally, a claim connected to a Stark Law or Anti-Kickback Statute violation may be deemed a false claim in violation of the FCA. The ACA expanded the reach of the FCA to include, among other things, failure to report and return known overpayments within statutory limits. Filing false claims in violation of the FCA can result in civil fines, and substantial per claim penalties plus monetary penalties up to three times the amount of damages sustained by government (e.g., the amount paid by to the Medicare or Medicaid program as a result of the false claims submitted). These fines can add up quickly and result in multi-million-dollar judgments or settlements. Additionally, violation or alleged violation of the FCA can result in payment suspension pending investigation, the imposition of corporate integrity agreements, or exclusion from Medicare and Medicaid.

The qui tam or "whistleblower" provisions of the FCA allow a private individual to bring an FCA action on behalf of the government. As part of the resolution of a qui tam case, the whistleblower may share in a portion of any FCA settlement or judgment. Qui tam actions can also be filed under certain state false claims laws if the fraud involves Medicaid funds or funding from state and local agencies. In recent years, there has been a large increase in the number of FCA qui tam actions. Because qui tam lawsuits are kept under seal while the federal government evaluates whether the United States will join the lawsuit, it is difficult to determine whether any such actions are pending.

The definition of a false claim under the FCA does not require the plaintiff to prove that the claim itself contains an expressly false statement. In June 2016, the U.S. Supreme Court in *Universal Health Services, Inc. v. United States ex rel.* Escobar held that the theory of "implied false certification" can be used as a basis for FCA liability when (i) a claim does more than merely request payment and makes specific representations about the nature of the goods or services provided; and (ii) the failure to disclose noncompliance with material statutory, regulatory or contractual provisions makes the representations "misleading half-truths". The application of this new standard is unclear but could lead to an increase in FCA claims in the health care industry based on this theory of liability.

The Deficit Reduction Act provides financial incentives to states that pass similar false claims statutes or amend existing false claims statutes that track the FCA more closely with regard to penalties and rewards to qui tam relators. A number of states, including New York, have passed similar false claims statutes, some of which expand the prohibition against false claims submitted to non-government third-party payors. Management of the Institution is not currently aware of any overpayments or pending or threatened claims, investigations or enforcement actions under the FCA or state false claims laws which, if determined adversely to the Institution, would have a material adverse effect on the Institution's business or financial condition. No assurance can be given that FCA actions will not be filed and a violation found. Sanctions imposed as a result of an FCA or state false claims law violation could have a material adverse effect on the Institution's business or financial condition.

Anti-Kickback Statutes

The federal Anti-Kickback Statute is a felony criminal law that prohibits the knowing and willful payment of "remuneration" to induce or reward patient referrals or the generation of business involving any item or service payable by the federal health care programs (e.g., drugs, supplies, or health care services for Medicare or Medicaid patients). Remuneration includes anything of value and can take many forms besides cash (e.g., excessive free or reduced rent, free hotel stays and meals, and excessive compensation for medical directorships, consultancies or other service). The Anti-Kickback Statute applies to both the payers of kickbacks (those who offer or pay remuneration) as well as the recipients of kickbacks (those who solicit or receive remuneration). Anti-Kickback "safe harbors" described in federal regulations protect certain payment and business arrangements that could otherwise implicate the Anti-Kickback Statute from criminal and civil prosecution (e.g., personal services and rental agreements, investments in ambulatory surgical centers, and payments to bona fide employees), but in order to be protected by a safe harbor, an arrangement must squarely meet each safe harbor element. Failure to squarely meet all the required elements of a safe harbor does not necessarily render the conduct or business arrangement illegal under the Anti-Kickback Statute. Rather, such conduct or business arrangements may be subject to increased regulatory scrutiny. Criminal penalties, civil monetary penalties and administrative sanctions for violating the Anti-Kickback Statute include substantial fines per kickback plus monetary penalties up to three times the amount of damages sustained by government, jail terms, and exclusion from participation in the federal health care programs. In addition, under the ACA, submission of a claim for services or items generated in violation of the Anti-Kickback Statute constitutes a false or fraudulent claim subject to additional penalties under the federal FCA.

In addition to the federal Anti-Kickback Statute, many states, including New York, have anti-kickback and/or fee-splitting/misconduct statutes designed to prohibit inducements or improper remuneration for the referral of patients. In some cases, state statutes are broader or carry larger fines than corresponding federal law. Management of the Institution believes its policies, procedures and business arrangements have been and currently are in material compliance with the Anti-Kickback Statute and state anti-kickback and fee-splitting/misconduct laws and regulations but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of a violation of the Anti-Kickback Statute or a similar state law violation could have a material adverse effect on the Institution's business or financial condition.

Physician Self-Referral Laws

The Ethics in Patient Referrals Act of 1989, as amended in the Omnibus Budget Reconciliation Act of 1993 and subsequently amended (collectively with the regulation enacts thereunder, the "Stark Law"), prohibits the referral of Medicare patients for certain "designated health services" (including among others inpatient and outpatient hospital services, clinical laboratory services, radiology and other imaging services, physical therapy, occupational therapy and outpatient speech language pathology services, radiation therapy services and supplies and outpatient prescription drugs) to entities with which the referring physician (or an immediate family member) has a financial relationship unless that relationship fits within an applicable exception to the Stark Law. It also prohibits a hospital, or other provider, furnishing the designated health services from billing Medicare, or any other government health care program for services performed pursuant to a prohibited referral. Importantly, the Stark Law is a strict liability statute, meaning that one can violate the law without any intent to do so. Statutory and regulatory exceptions to the Stark Law's referral prohibition can protect a broad range of common financial relationships between referring physicians and a designated health services provider such as a hospital (e.g., employment relationships, relocation arrangements, leases, group practice arrangements, and medical directorships). If the relationship does not squarely meet the elements

of a Stark Law exception, it will result in violation of the law. All providers of designated health services with physician relationships have some exposure to liability under the Stark Law.

Penalties for violation of the Stark Law include denial of payment, recoupment, refunds of amounts paid in violation of the law, exclusion from the Medicare or Medicaid program, and substantial civil monetary penalties. Violation of the Stark Law may also provide the basis for a claim under the FCA.

Medicare may deny payment for all services performed based on a prohibited referral and a hospital that has billed for prohibited services is obligated to refund the amounts collected from the Medicare program or to make a self-disclosure to CMS under its Self-Referral Disclosure Protocol. For example, if an office lease between a hospital and a large group of heart surgeons is found to violate the Stark Law, the hospital could be obligated to repay CMS for the payments received from Medicare for all of the heart surgeries performed by all of the physicians in the group for the duration of the lease; a potentially significant amount. As a result, even relatively minor, technical violations of the Stark Law may trigger substantial refund obligations. Moreover, where there are "knowing" violations of the Stark Law, the government may seek substantial civil monetary penalties under FCA, and in some cases, a hospital may be excluded from the Medicare and Medicaid programs. Potential repayments to CMS, settlements, fines or exclusion for a Stark Law violation or alleged violation could have a material adverse impact on a hospital and other health care providers. Increasingly, the federal government is prosecuting Stark Law violations under the FCA, based on the argument that claims resulting from an illegal referral arrangement are also false claims for FCA purposes. See the discussion under the subcaption "False Claims Act" above. The DOJ and others have asserted that Medicaid referrals in which a non-excepted financial arrangement exists under the Stark Law also create FCA exposure, and have had some success with these arguments in certain courts.

The New York Health Care Practitioner Referral Law is similar to the Stark Law; however, it covers all patients (irrespective of payor) and prohibits practitioners from referring a patient to a health care provider for clinical laboratory services, x-ray imaging services, radiation therapy services, physical therapy, or pharmacy services if the referring practitioner (or an immediate family member) has a financial interest in the health care provider.

A financial relationship, for purposes of the Stark Law and the New York Health Care Practitioner Referral Law, is defined as either an ownership or investment interest in the entity or a compensation arrangement between the practitioner (or immediate family member) and the entity and can be direct or indirect. An ownership or investment interest may be through equity, debt, or other means and includes an interest in an entity that holds an ownership or investment interest in an entity providing the designated health services. Many ordinary business practices and economically desirable arrangements with physicians or their immediate family members would constitute "financial relationships" within the meaning of Stark and the New York Health Care Practitioner Referral Law.

Management of the Institution believes the Institution's policies, procedures and business arrangements have been and currently are in material compliance with the Stark Law and the New York Health Care Practitioner Referral Law, but no assurance can be given that a violation will not be found. Any sanctions imposed as a result of a Stark Law or similar state law violation could have a material adverse effect on the Institution's business or financial condition.

CMS has established a voluntary self-disclosure program under which hospitals and other entities may report Stark Law violations and seek a reduction in potential refund obligations. The Institution may make self-disclosures under this program as appropriate from time to time. Any submission pursuant to the self-disclosure program does not waive or limit the ability of the OIG or the DOJ to seek or prosecute violations of the Anti-Kickback Law or impose civil monetary penalties.

EMTALA

The Emergency Medical Treatment and Labor Act ("*EMTALA*") is a federal civil statute that requires Medicare-participating hospitals with emergency departments to conduct a medical screening examination to determine the presence or absence of an emergency medical condition and to provide treatment sufficient to stabilize any such emergency medical condition before discharging or transferring the patient. A hospital that violates EMTALA is subject to substantial civil penalties per offense and exclusion from the Medicare and Medicaid programs.

EMTALA also provides for a limited private right of action against hospitals, and as a result a hospital could be subject to claims for personal injury where an individual suffers harm as result of an EMTALA violation.

Management of the Institution believes the Institution's policies and procedures are in material compliance with EMTALA, but no assurance can be given that a violation of EMTALA will not be found. Any failure of the Institution to meet its responsibilities under EMTALA could have a material adverse effect on the Institution's business or financial condition.

Administrative Enforcement

Administrative regulations may require less proof of a violation than do criminal laws and thus, health care providers may have a higher risk of imposition of monetary penalties as a result of an administrative enforcement action.

Enforcement Activity

Enforcement activity against health care providers has increased and enforcement authorities have adopted aggressive approaches. In the current regulatory climate, it is anticipated that many hospitals and physician groups will be subject to an audit, investigation or other enforcement action regarding the health care fraud laws mentioned above. Enforcement authorities are often in a position to compel settlements by providers charged with or being investigated for false claims violations by withholding or threatening to withhold Medicare, Medicaid and/or similar payments and/or by instituting criminal action. In addition, the cost of defending such an action, the time and management attention consumed, and the facts of a case may dictate settlement. Therefore, regardless of the merits of a particular case, a hospital could experience materially adverse settlement costs, as well as materially adverse costs associated with implementation of any settlement agreement. Prolonged and publicized investigations could be damaging to the reputation and business of a hospital, regardless of outcome.

Certain acts or transactions may result in violation or alleged violation of a number of the federal health care fraud laws described below and therefore, penalties or settlement amounts often are compounded. Generally, these risks are not covered by insurance. Enforcement actions may involve multiple hospitals in a health system, as the government often extends enforcement actions regarding health care fraud to other hospitals in the same organization. Therefore, Medicare fraud related risks identified as being materially adverse as to a hospital could have materially adverse consequences to a health system taken as a whole.

Increased Enforcement Affecting Academic Research

In addition to increasing enforcement of laws governing payment and reimbursement, the federal government has also stepped up enforcement of laws and regulations governing the conduct of clinical trials at hospitals. HHS elevated and strengthened its Office for Human Research Protections, one of the agencies with the responsibility for monitoring federally funded research. The Food and Drug Administration ("*FDA*") also has authority over the conduct of clinical trials performed in hospitals when these trials are conducted on behalf of sponsors seeking FDA approval to market the drug or device that is the subject of the research. Moreover, the OIG, has included several enforcement initiatives related to reimbursement for experimental drugs and devices and claims for clinical trial-related services on its "Work Plans". These agencies' enforcement powers range from substantial fines and penalties to exclusion of researchers and suspension or termination of entire research programs.

Additional State Regulation

General

The ACA imposes significant obligations on states related to health care insurance. Prior to the passage of the ACA, many states increased regulations related to the managed care industry. State legislatures cited their right and obligation to regulate and oversee health care insurance and enacted sweeping measures that aimed to protect consumers and, in some cases, providers. For example, a number of states enacted laws mandating a minimum of 48-hour hospital stays for women after delivery; laws prohibiting "gag clauses" (contract provisions that prohibit

providers from discussing various issues with their patients); laws defining "emergencies", which provide that a health care plan may not deny coverage for an emergency room visit if a lay person would perceive the situation as an emergency; and laws requiring direct access to obstetrician-gynecologists without the requirement of a referral from a primary care physician. It is unclear how the increased federal oversight of state health care may affect the probability of future increased state oversight or impact the Institution. Due to this increased oversight, the Institution could become subject to a variety of state health care laws and regulations affecting health care providers. In addition, the Institution could be subject to other state laws and regulations.

Certificate of Need Laws

Many states, including New York, have CON laws which controls various types of activities which involve, and expenditures which relate to, the provision of health care services. The general purpose of CON laws is to prevent unnecessary duplication of expensive health care services in an effort to contain health care costs and to ensure access to health care services which otherwise might not be available. Failure to obtain necessary state CON approval can result in the inability to expand facilities, add services, acquire a facility or change ownership. Violation of such laws may result in the imposition of civil sanctions or the revocation of a facility's license. A health care provider cannot predict whether it will be able to obtain approval for any health care services regulated by a state CON process which may be necessary or desirable to compete in its service area. From time to time, state legislatures consider eliminating CON programs. If a state CON program is phased-out or eliminated, health care providers such as the Institution, could face increased competition from other providers. See "BONDHOLDER'S RISKS – Construction Risks".

LITIGATION

The Issuer

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

The Institution

The Institution is involved in certain ongoing litigation and claims pertaining to its hospital business. While the ultimate outcome of these lawsuits cannot be determined at this time, the Institution asserts that such matters are covered by insurance and it is the opinion of the Institution's management that the ultimate resolution of these matters will not have a material adverse effect on the Institution or its ability to perform its obligations under the Project Documents. There is no litigation of any nature now pending, or to the knowledge of the Institution's officers threatened, against the Institution restraining or enjoining the execution, sale or delivery of the Series 2022 Bonds by the Issuer or in any way contesting or affecting the validity of the Series 2022 Bonds, the Loan Agreement, the Series 2022 Promissory Note or the Indenture, any proceedings of the Institution taken concerning the execution, sale or delivery of the Loan Agreement or the Series 2022 Promissory Note, or the application of any moneys or security provided for the payment of the Series 2022 Bonds.

LEGAL MATTERS

Legal matters in connection with the authorization, issuance and sale of the Series 2022 Bonds are subject to the approving opinion of Katten Muchin Rosenman LLP, New York, New York, Bond Counsel to the Issuer, which opinion will be substantially in the form attached hereto as APPENDIX F – "PROPOSED FORM OF OPINION OF BOND COUNSEL". Certain legal matters will be passed upon for the Issuer by its General Counsel, and for the Institution by its counsel, Garfunkel Wild, P.C., Great Neck, New York. Certain legal matters will be passed upon for the Underwriter by its counsel, Greenberg Traurig, LLP, Boston, Massachusetts.

TAX MATTERS

Summary of Certain Federal Tax Requirements; Post-Issuance Compliance

The Internal Revenue Code of 1986, as amended (the "*Code*"), establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2022 Bonds in order for interest on the Series 2022 Bonds to be and remain not includable in gross income of the owners thereof under Section 103 of the Code. Included among the continuing requirements of the Code are the maintenance of the status of the Institution as an organization described in Section 501(c)(3) of the Code, certain restrictions and prohibitions on the use of proceeds of the Series 2022 Bonds and the use of the facilities financed or refinanced by the Series 2022 Bonds, restrictions on the investment of such proceeds and other amounts, and the rebate to the United States of certain earnings in respect of investments. Failure to comply with these continuing requirements may cause the interest on the Series 2022 Bonds to be includable in gross income for federal income tax purposes (and to be includable in taxable income for purposes of the State and the City personal income taxes) retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs. If a Determination of Taxability occurs, the Indenture provides that the rate of interest on the Series 2022 Bonds shall be the Taxable Rate commencing with the date of the Event of Taxability and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Determination of Taxability. In addition, the Indenture further provides for the mandatory redemption of all of the Series 2022 Bonds (or such portion thereof as is necessary in the opinion of Bond Counsel to preserve the tax-exempt status of the interest on the Series 2022 Bonds that remain outstanding) within one hundred twenty (120) days following such Determination of Taxability at a redemption price equal to one hundred five percent (105%) of the principal amount of the Series 2022 Bonds so redeemed plus interest at the Taxable Rate accrued from the Event of Taxability to the date of redemption. However, the Indenture makes no provision to reimburse holders of the Series 2022 Bonds subject to an Event of Taxability for tax deficiencies, interest, and penalties paid by such holders to the IRS or loss of market value of the Series 2022 Bonds, resulting from the loss of the exclusion of interest on the Series 2022 Bonds from federal gross income. In the Indenture, the Loan Agreement, and the Tax Certificate of the Issuer and the Institution, the Issuer and the Institution have covenanted to comply with certain procedures, and it has made certain representations and certifications, designed to assure compliance with the requirements of the Code.

In addition, Bond Counsel has relied, among other things, on the opinion of Garfunkel Wild, P.C., counsel to the Institution, regarding the current qualification of the Institution as an organization described in Section 501(c)(3) of the Code and the use contemplated by Institution of facilities financed or refinanced by the Series 2022 Bonds as substantially related to the charitable purposes of the Institution under Section 513 of the Code. Neither Bond Counsel nor counsel to the Institution can give or has given any opinion or assurance about the future activities of the Institution, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the resulting changes in the enforcement thereof by the IRS. Failure of the Institution to be organized and operated in accordance with the IRS's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code or to operate the facilities financed or refinanced by the Series 2022 Bonds in a manner that is substantially related to its charitable purposes under Section 513 of the Code may result in interest payable with respect to the Series 2022 Bonds being included in federal gross income and in the State and the City taxable income, possibly from the date of original issuance of the Series 2022 Bonds.

Opinion of Bond Counsel

In the opinion of Katten Muchin Rosenman LLP, New York, New York, Bond Counsel, assuming continuing compliance by the Issuer and the Institution (and their successors) with the covenants, and the accuracy of the representations discussed above, under existing statutes, regulations, rulings and court decisions, interest on the Series 2022 Bonds is not includable in gross income for federal income tax purposes. Bond Counsel is of the further opinion that interest on the Series 2022 Bonds is not an "item of tax preference" for purposes of the federal alternative minimum tax on individuals.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Institution (and their successors) with the requirements of the Code that must be met in order for interest on the Series 2022 Bonds to be not includable in gross income for federal income tax purposes, interest on the Series 2022 Bonds (including any

accrued original issue discount) is also not includable in taxable income for purposes of personal income taxes imposed by the State and the City, under existing statutes and regulations.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2022 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the IRS or any court. Further, Bond Counsel cannot give, and has not given, any opinion or assurance about the future activities of the Issuer or the Institution, or about the effect of future changes in the Code, applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Certain requirements and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Certificate of the Issuer and the Institution and other relevant documents may be changed, and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of a Nationally Recognized Bond Counsel. Katten Muchin Rosenman LLP expresses no opinion as to the effect on the exclusion from gross income for federal tax purposes, and as to the effect on the non-inclusion in taxable income for purposes of personal income taxes imposed by the State and the City of interest on the Series 2022 Bonds of any such change occurring, or such action or other action taken or not taken, after the date of issuance of the Series 2022 Bonds, upon the advice or approval of bond counsel other than Katten Muchin Rosenman LLP.

Original Issue Discount

The Series 2022 Bonds will be initially issued to the Initial Bondholder at a price less than the principal amount thereof payable at maturity. The difference between such price and principal amount constitutes original issue discount with respect to the Series 2022 Bonds. Bond Counsel is of the opinion that original issue discount, as it accrues, is excludable from gross income for federal income tax purposes and is subject to the alternative minimum tax to the same extent as is interest on the Series 2022 Bonds. Original issue discount accrues in each taxable year over the term of the Series 2022 Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code, with certain adjustments. Accruals of original issue discount are treated as tax-exempt interest earned by owners on the accrual basis of tax accounting and as tax-exempt interest received by owners on the cash basis of tax accounting even though no cash corresponding to the accrual is received in the year of accrual. The tax basis of a Series 2022 Bond if held by an original purchaser, can be determined by adding to such owner's purchase price of such Series 2022 Bond the original issue discount that has accrued. Holders of the Series 2022 Bonds should consult their own tax advisors with respect to the calculation of the amount of the original issue discount that will be treated for federal income tax purposes as having accrued for any taxable year (or portion thereof) of such owners and with respect to other federal, state and local tax consequences of owning and disposing of the Series 2022 Bonds.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2022 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with a Form W-9, "Request for Taxpayer Identification Number and Certification", or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor of interest is required to deduct and withhold a tax from the payment, calculated in the manner set forth in the Code. If a Holder purchasing a Series 2022 Bond through brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2022 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

Other Considerations

Prospective purchasers of the Series 2022 Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of, tax-exempt obligations may have collateral federal income tax consequences for certain taxpayers, including financial institutions, certain S corporations, United States branches of foreign corporations, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. The foregoing is not intended as an exhaustive list of potential tax consequences. Prospective purchasers should consult their tax advisors as to any possible collateral tax consequences in respect of the Series 2022 Bonds. Bond Counsel expresses no opinion regarding any such collateral tax consequences.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the Closing Date of the Series 2022 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2022 Bonds. No assurance can be given that any future legislation, including amendments to the Code or the State income tax laws, will not cause interest on the Series 2022 Bonds to be subject, directly or indirectly, to federal or State or local income taxation, or otherwise prevent Holders from realizing the full current benefit of the tax status of such interest. Prospective purchasers of the Series 2022 Bonds should consult their own tax advisers regarding any pending or proposed federal or State tax legislation. Further no assurance can be given that the introduction or enactment of any such future legislation, will not affect the market price of the Series 2022 Bonds.

Bond Counsel's engagement with respect to the Series 2022 Bonds ends on the Closing Date of the Series 2022 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Institution or the Bondholders regarding the tax status of interest on the Series 2022 Bonds in the event of an audit by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Series 2022 Bonds, under current procedures parties other than the Issuer, the Institution, and their appointed counsel, including the Bondholders, would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with any audit of tax-exempt bonds is difficult, obtaining an independent judicial review of IRS positions with which the Issuer or the Institution legitimately disagrees, may not be practical. Any action of the IRS, including but not limited to selection of the Series 2022 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market prices for, or the marketability of, the Series 2022 Bonds, and may cause the Issuer or the Institution and the Bondholders to incur significant expense.

NO RATINGS

The Series 2022 Bonds will not be rated at the time of issuance. So long as any Series 2022 Bonds are Outstanding, the Institution agrees, not later than 60 days after receipt of a written request executed by the Holders more than 50% of the Series 2022 Bonds then Outstanding or the Bondholder Representative, to cooperate with the solicitation of a credit rating on the then Outstanding Series 2022 Bonds from one or more Rating Agencies in order to obtain a rating on the Series 2022 Bonds, which ratings shall be paid for by the beneficial owners of the Series 2022 Bonds.

UNDERWRITING

Cain Brothers, a division of KeyBanc Capital Markets Inc. (the "*Underwriter*") is underwriting the Series 2022 Bonds. On the sale date, the Underwriter will enter into a Bond Purchase Agreement with the Issuer and the Institution pursuant to which the Underwriter will agree to purchase the Series 2022 Bonds subject to certain conditions contained in the Bond Purchase Agreement (including the purchase of the Series 2022 Bonds by the Initial Bondholder) and to pay to the Trustee, on the date of issuance of the Series 2022 Bonds, $8,589,234.10, which represents the initial advance of Series 2022 Bond proceeds ($9,150,000.00), less original issue discount of $274,500.00 and an Underwriter's discount of $286,265.90.

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

INDEPENDENT AUDITORS

The audited financial statements of the Institution as of and for the years ended December 31, 2021 and 2020, included in APPENDIX B to this Limited Offering Memorandum, have been audited by Baker Tilly US, LLP, independent auditors, as stated in their report appearing in APPENDIX B.

CONTINUING DISCLOSURE

On the date of issuance of the Series 2022 Bonds, the Institution will enter into the Continuing Disclosure Agreement in substantially the form attached hereto as APPENDIX E for the benefit of the beneficial owners of the Series 2022 Bonds. Under the Continuing Disclosure Agreement, the Institution is required to file certain information quarterly and annually with, and to provide notice of certain events to, the Municipal Securities Rulemaking Board (the "*MSRB*") using its Electronic Municipal Market Access system ("*EMMA*"), pursuant to Rule 15c2-12, as amended (the "Rule"), of the Securities and Exchange Commission. The information to be provided on a quarterly and annual basis and the events of which notice is required to be provided upon occurrence are set forth in the Continuing Disclosure Agreement. Failure of the Institution to provide such information will not constitute a default under the Loan Agreement. See APPENDIX E hereto. The Institution has entered into similar continuing disclosure undertakings in connection with prior bond issuances. During the past five years, the Institution failed to timely file its annual operating information for the fiscal years ended December 31, 2018, 2019, 2020 and 2021, failed to file its audited financial statements with respect to one series of prior bonds for the fiscal year ended December 31, 2018, failed to timely file its audited financial statements for the fiscal year ended December 31, 2019, failed to timely file its quarterly financial information for the fiscal quarters ended March 31, 2020, June 30, 2020, September 30, 2020, March 31, 2021 and September 30, 2021, and failed to file its quarterly financial information with respect to one series of prior bonds for the fiscal quarters ended March 31, 2019 and June 30, 2019. Such information has since been filed with the MSRB in corrective notices.

MISCELLANEOUS

The foregoing summaries or descriptions of provisions in the Indenture, the Loan Agreement, the Series 2022 Promissory Note, the Series 2022 Agreement to Advance, the Tax Certificate, the Continuing Disclosure Agreement, and the other agreements and documents referred to herein, and all references to other materials not purporting to be quoted in full, are only brief outlines of certain provisions thereof and do not constitute complete statements of such provisions or purport to summarize all of the pertinent provisions thereof. Reference is made to the complete Indenture and the Loan Agreement, copies of which are attached to this Limited Offering Memorandum.

The information contained in this Limited Offering Memorandum is the responsibility of the Institution, except for the information contained under the heading "BOOK-ENTRY ONLY SYSTEM", which has been provided by DTC to the extent described therein, the information under the heading "THE ISSUER" and "LITIGATION – The Issuer", which has been provided by the Issuer, and the information under the heading "UNDERWRITING", which has been provided by the Underwriter. The Issuer makes no representation, warranty, or certification as to the adequacy or accuracy of the information set forth in this Limited Offering Memorandum, other than the information set forth under the headings "THE ISSUER" and "LITIGATION – The Issuer". This Limited Offering Memorandum is not intended to be construed as a contract or agreement between the Issuer and the purchasers or holders of the Series 2022 Bonds.

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

The distribution of this Limited Offering Memorandum has been duly authorized by the Issuer and the Institution.

BUILD NYC RESOURCE CORPORATION

By: */s/Emily Marcus*
Executive Director

RICHMOND MEDICAL CENTER,
doing business as
Richmond University Medical Center,
a New York not-for-profit corporation

By: */s/ David Murray*
Senior Vice President and
Chief Financial Officer

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

INFORMATION CONCERNING THE INSTITUTION

[THIS PAGE INTENTIONALLY LEFT BLANK]

INTRODUCTION

This Appendix A includes information regarding Richmond Medical Center, doing business as Richmond University Medical Center (the "Institution") in connection with the sale of the Series 2022 Bonds described in the front portion of this Limited Offering Memorandum. Terms used in this Appendix A that are not otherwise defined herein have the same meanings assigned to such terms in the front portion of this Limited Offering Memorandum.

The Institution is located on the northeastern portion of the borough of Staten Island, New York and is a full service, acute care, teaching hospital for the residents of Staten Island. The Institution's geographic distinction, as being the only hospital on Staten Island not located in a designated flood zone, makes the Institution a strategic resource for borough residents in the event of flood-related natural disasters. The Institution is a not-for-profit, 501(c)(3) healthcare provider, offering patient-centered care through a full spectrum of emergency, acute, primary, behavioral health and medical services.

The Institution, currently an affiliate of The Mount Sinai Hospital and the Icahn School of Medicine, was founded on January 1, 2007 as a wholly-owned subsidiary of Bridge Regional Health System (the "Member"). Presently, the Institution and its affiliates are comprised of: (a) the Institution, a 448 licensed bed (291 staffed beds excluding newborns and NICU bassinettes) acute care teaching facility; (b) Amboy Medical Practice P.C.("Amboy") a professional services organization which houses the Institution's employed medical staff members; (c) Richmond Medical Center Foundation (the "Foundation"), a tax exempt organization established to raise funds for the Institution; (d) Richmond Quality, LLC ("RQLLC"), an "accountable care organization" which is responsible for quality, cost and overall care for an assigned group of Medicare beneficiaries; and (e) effective as of January 1, 2022, Visiting Nurse Association of Staten Island, Inc. ("VNASI") which merged into the Institution (the "Merger"). As a result of the Merger, the Institution, by operation of law, became the sole member of Visiting Nurse Association Health Care Services, Inc. ("VNAHCS"). VNAHCS is a New York not-for-profit corporation licensed to operate a certified home health agency ("CHHA") pursuant to Article 36 of the New York State Public Health Law ("PHL")[1].

The Institution provides a number of high-end tertiary care services as follows: designation as a Level 1 Adult, and Level II Pediatric Trauma Emergency Department by the American College of Surgeons; designation as a stroke center receiving national recognition from the American Heart Association and American Stroke Association; cardiac catheterization laboratory with PCI (percutaneous coronary intervention) with capabilities for elective and emergent angioplasty procedures; and a wound care/hyperbaric center and a sleep disorder center. In addition, the Institution is one of the only borough facilities designated as a Certified Psychiatric Emergency Program, providing a full range of behavioral health services for children, adolescents and adults in both inpatient and outpatient settings, including emergency services, mobile crisis intervention, and inpatient and outpatient psychiatric services.

CORPORATE ORGANIZATION AND INSTITUTION CONTROL

Corporate Organization

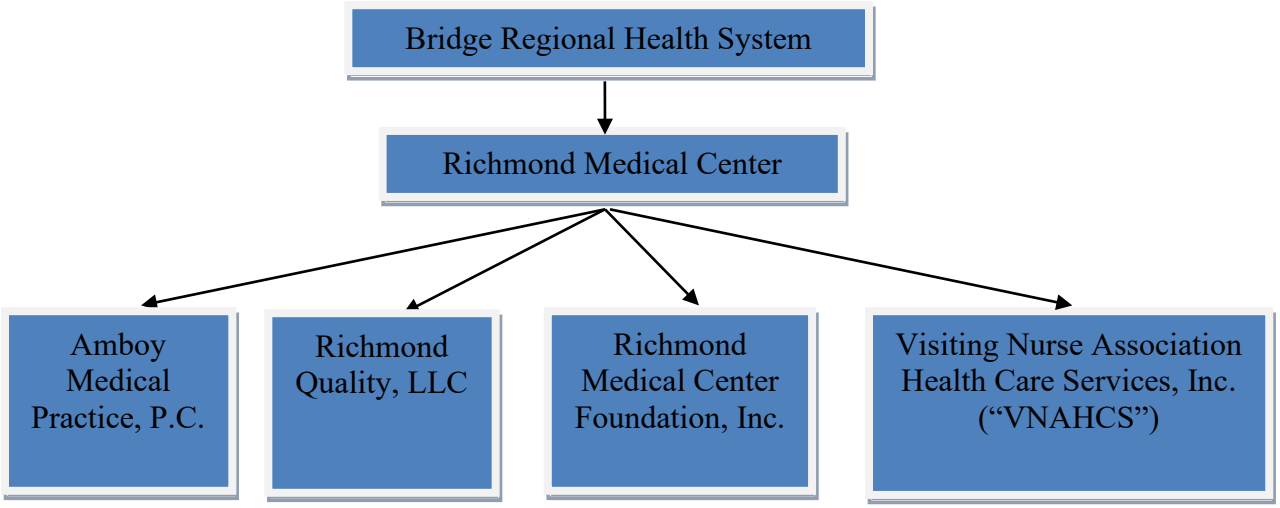
The Institution is a Type-B corporation formed and operated exclusively for charitable, scientific and educational purposes as defined in Section 501(c)(3) of the Internal Revenue Service Code of 1986, as amended (the "Code"). The Institution was formed, amongst other reasons, to establish, maintain and/or operate a hospital or hospitals within the State of New York for the medical and surgical care and treatment of inpatients and outpatients and the provision of a range of medical and associated services for the diagnosis and treatment of patients, including, but not limited to, outpatient care, home care and extended care. Further, the Institution was formed to: (a) promote and carry on scientific and medical research related to the care of the sick, injured or disabled, and related to the causes, origins, treatment and prevention of diseases, sickness, injuries and disabilities; (b) provide clinical training in conjunction with duly authorized colleges and universities, and continuing education in the field of medicine; (c) offer training in medical research, but not to award any degree or diploma or to operate other professional training programs, except as may be authorized by the New York Board State of Regents and registered by the Commissioner of Education; (d) solicit contributions for the purposes of the establishment, maintenance and operation of a hospital or

[1] Additionally, VNAHCS is approved to provide early intervention, nursing home transition and diversion medicaid waiver program, and traumatic injury medicaid waiver program services.

hospitals; and (e) promote, participate in and carry on any activity designed to promote the general health of the community.

The sole member of the Institution is the Member. The Member has certain reserved powers, as listed in the By-Laws, which include: (a) the power to elect the Trustees of the Institution and to remove the Trustees of the Institution; (b) the power to authorize: (i) the amendment and restatement of the Certificate of Incorporation and By-Laws of the Institution; (ii) the merger or consolidation of the Institution with any other entity; (iii) the sale, lease, exchange, mortgage, pledge or other disposition of all or substantially all the property and assets of the Institution; and (iv) the voluntary dissolution of the Institution, and the plan of distribution of assets upon dissolution and the revocation of voluntary dissolution proceedings; (c) the power to approve affiliation agreements for education and research between academic institutions and the Institution; (d) the power to approve: (i) the Institution's strategic and business plans; and (ii) any proposed changes to the Institution's mission statements; (e) the power to approve the Institution's: (i) capital budget; (ii) operating budget; and (iii) non-budgeted material expenditures (classification of expenditures as "material" shall be established by the Member's Board of Trustees from time to time); (f) the power to approve the Institution's investment policies; (g) the power to authorize the Institution's participation in a joint venture, consolidation, affiliation, network, association, system or alliance of health care providers; (h) the power to authorize the Institution's organization or formation of a new subsidiary or joint venture entity, arrangement or relationship in which the Institution's ownership interest will be equal to or in excess of 50% of the net income or voting interests therein; (i) the power to authorize the Institution's incurrence or guarantee of material indebtedness to any other person or entity and a mortgage or pledge of, or grant of a security interest in, property or assets of a hospital or related entity in connection with any such indebtedness; (j) the power to approve the Institution's human resource plans; (k) the power to approve accounting policies for the Institution and approve the appointment of the Institution's outside auditors; (l) the power to authorize any vote by the Institution of the capital stock, membership or partnership voting rights owned by the Institution in any and all of its subsidiaries or affiliates with respect to any of the foregoing; and (m) the power to hire and fire the President of the Institution.

The organizational structure of the Institution is as follows:



History of the Institution

Castleton Acquisition Corporation ("Castleton") was formed on March 29, 2006 as a nonprofit corporation under the laws of the State of New York. Castleton was formed to undergo the process of applying for an application with the Public Health Council of the New York State Department of Health to operate any hospitals acquired by Castleton. On May 16, 2006, an Asset Purchase Agreement was signed between Saint Vincent's Catholic Medical Centers of New York and Castleton, in which Castleton acquired assets of the former Saint Vincent's Hospital, Staten Island, located at 355 Bard Avenue ("Main Campus") and certain interest in leased property, all located on the North Shore of Staten Island, New York. Assets conveyed to Castleton consisted primarily of real property, furniture, equipment, and assets associated with programs located at the Main Campus.

On December 28, 2006, Castleton amended its certificate of incorporation to change its legal name to Richmond Medical Center. Other changes were made in accordance with this amendment, including changing the purpose to establish and operate hospitals within the State of New York. The Institution began operations on January 1, 2007, as a wholly-owned subsidiary of the Member.

In 2008, the Institution created a professional services corporation known as Amboy, which has as its primary purpose to engage in the profession of medicine. Amboy began operations on October 1, 2008 at a location on the South Shore of Staten Island and has since expanded to other locations. the Foundation is a tax-exempt organization, established to raise funds for the Institution. RQLLC is an Accountable Care Organization. RQLLC's mission is to establish a group of coordinated healthcare providers which agree to be accountable for the quality, cost and overall care for an assigned group of Medicare beneficiaries.

Amboy is a New York professional service corporation. As such, its shares of stock are required by the New York Business Corporation Law to be owned by a natural person licensed to practice the profession of medicine by the New York State Department of Education. All of the issued and outstanding shares of Amboy is stock are owned by Alexander Beylinson, D.O. Dr. Beylinson is a board member of Amboy and Amboy's President and Treasurer. Pursuant to the Stock Restriction and Option Agreement by and among, Amboy, Dr. Beylinson and the Institution, upon separation of his employment from the Institution or Amboy for any reason, Dr. Beylinson is required to transfer the shares of Amboy to a person of the Institution's choosing for a total purchase price of $2.00. The Institution maintains control over Amboy through this structure. Any transferee of the shares of Amboy would be subject to identical terms and conditions of the Stock Restriction and Option Agreement, to ensure that the Institution maintains the appropriate level of control over Amboy's operations. The Institution supports the operation of Amboy by providing administrative and practice management services, including supply chain services, payroll services, human resources services, and accounting services.

VNAHCS is a New York not-for-profit corporation licensed to operate a CHHA pursuant to Article 36 of the PHL. Additionally, VNAHCS is approved to provide Early Intervention, Nursing Home Transition and Diversion Medicaid Waiver Program, and Traumatic Injury Medicaid Waiver Program services. The Institution is the sole member of VNAHCS.

On January 1, 2019, the Institution acquired certain assets and assumed certain liabilities of Staten Island Mental Health Society, Inc. ("SIMH"), a not-for-profit organization that provides comprehensive mental health, early childhood and related services to Staten Island children and their families. This transaction was completed to continue to expand the service area of the Institution, and SIMH accounts are included within Richmond County.

Real Estate

The Institution owns various real estate on Staten Island. The following properties will be mortgaged as part of the Series 2022 Bonds and the appraisal value is included:

Property[1]	Value
355 Bard Avenue	$239,000,000 (prospective market value upon completion of various projects is $421,000,000)
800 Castleton Avenue	$7,300,000
669 Castleton Avenue [2]	$7,100,000
657 Castleton Avenue [2]	$3,500,000
288 Kissel Avenue	$10,600,000

[1] Owned Property. The Institution also leases space at 267P Kissel Avenue which will be subject to a leasehold mortgage.

[2] In the merger with SIMH, the Institution assumed all assets and liabilities of SIMH. SIMH was a co-borrower on a loan with Victory State Bank (now Northfield Savings Bank ("Northfield"). The properties are subject to a mortgage with Northfield in the original amount of two million dollars and will be superior to the Mortgage.

APPENDIX A

GOVERNANCE AND SENIOR MANAGEMENT

Board of Trustees

The Institution is a New York not-for profit corporation and is qualified as a tax-exempt organization under Section 501(c)(3) of the Code. Pursuant to the Institution's By-laws, the Board of Trustees (the "Board") must comprise not less than 3 or more than 21 trustees ("Trustees"). The Board shall have general power to control and manage the affairs and property of the Institution in accordance with the purposes and limitations set forth in the Certificate of Incorporation. The number of Trustees may be increased or decreased, but no decrease shall shorten the term of any incumbent Trustee. The President of the Institution and the President of the Medical Staff shall be ex-officio members of the Board with vote and shall be counted as regular members of the Board for purposes of determining whether a quorum is present and for all other purposes. Any person over the age of 21 years shall be eligible for membership on the Board. Trustees shall be selected for their ability to contribute to and effectively fulfill their responsibilities as Trustees of the Institution. Any Trustee may be removed at any time, with or without cause, by a 2/3 vote of the Board. Any Trustee may resign from office at any time by delivering a resignation in writing to the Board or to the President and the acceptance of the resignation, unless required by its terms, shall not be necessary to make the resignation effective.

The elected members of the Board are divided into 3 classes, designated Class A, Class B and Class C, each class being as nearly equal in number as possible, having not less than 4 nor more than 7 Trustees. The term of office of the initial Class A Trustees shall expire at the next annual meeting of the Member. The term of office of the initial Class B Trustees shall expire at the second succeeding annual meeting of the Member. The term of office of the initial Class C Trustees shall expire at the third succeeding annual meeting of the Member. At each annual meeting of the Member, Trustees to replace those whose terms expire shall be elected, after giving consideration to the recommendations of the Institution's Governance Committee, to hold office until the third succeeding annual meeting. Each Trustee shall be elected to serve until such Trustee's respective successor has been elected and qualified. At least one member of each class shall be a member of the Active Medical Staff. No member of the Active Medical Staff who is an officer of the Staff, other than the President, shall be eligible to serve as a Trustee and, if any member of the Active Medical Staff is elected an officer of the Attending Medical and Dental Staff while serving as a Trustee of the Institution, his membership as a Trustee shall automatically terminate upon his acceptance of such office.

[*Remainder of this page intentionally left blank.*]

The current Trustees, their office (if any), their year of initial election, their voting status, and their principal occupation are as follows:

Trustee	**Voting Status**	**Year First Appointed**	**Year Term Expires**	**Occupation**
Rev. Dr. Tony Baker, Sr.	Voting	Feb. 2007	2022	Pastor
Alexander Beylinson, MD	Voting	*Ex-Officio*	- -	Internist
Alan S. Bernikow, CPA	Voting	June 2015	2030	Accounting Executive
Pietro Carpenito, MD Chief Medical Officer	Voting	Feb. 2007	2022	Anesthesiologist
Katherine Anne Connors, MPH, PT	Voting	Sept. 2008	2023	Physical Therapist
Thomas DelMastro	Voting	May 2018	2033	Chief Executive Officer of Staten Island Marine Development LLC
Sarah Warren Gardner, MPH	Voting	June 2010	2025	Public Health Executive
Gina Gutzeit, Treasurer	Voting	Sept. 2008	2023	Financial Executive/CPA
Timothy Colton Harrison	Voting	June 2019	2034	Principal of TCH Realty & Development Co., LLC
Steven M. Klein	Voting	Feb. 2017	2032	Banking Executive/CPA
Daniel J. Messina, Ph.D.	Voting	*Ex-Officio*		President and Chief Executive Officer
James Molinaro	Voting	Feb. 2007	2022	Former Staten Island Borough President
Jill O'Donnell-Tormey, Ph.D.	Voting	June 2011	2026	Executive Director – Cancer Research Institute
Pankaj R. Patel, MD	Voting	Sept. 2017	2032	Former Chairman of the Department of Psychiatry and Chief Medical Officer

APPENDIX A

Catherine Paulo, Esq. Secretary	Voting	Feb. 2007	2022	Financial Advisor
Ronald A. Purpora Vice-Chairperson	Voting	Feb. 2008	2023	Financial Services Executive
Dennis W. Quirk	Voting	Feb. 2007	2022	President of New York State Court Officer's Association
Kathryn Krause Rooney, Esq. Chairperson	Voting	Feb. 2007	2022	Attorney
John C. Santora	Voting	June 2011	2026	Financial Services Executive
John Vincent Scalia, Sr.	Voting	June 2012	2027	Funeral Director
Samala Swamy, MD	Voting	March 2016	2031	Cardiologist
John Tapinis	Voting	June 2019	2034	Accounting Executive

Conflicts of Interest Policy

The Board's Conflict of Interest Policy follows the Internal Revenue Service's model and the New York State Not-for-Profit Law regarding conflict of interest and requires any direct or indirect financial interest on the part of any Trustee to be disclosed to the other members of the Board and made a matter of record either through an annual statement or when the interest becomes a matter of Board action. If a Trustee has a direct or indirect financial interest in any matter, the Trustee may not vote on the matter, and the Chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

Audit and Corporate Compliance

The Institution's Audit and Compliance Committee oversees the Institution's corporate compliance program (the "Compliance Program"). The Compliance Program is designed to prevent and detect violations of federal and state law, and health care related fraud, waste and abuse, as it relates to the Institution's conduct. The Compliance Program includes a Compliance Officer who is responsible for the day-to-day operation of the Compliance Program, and who is a member of the Institution's senior management, with the responsibility to report directly to the Audit and Compliance Committee, the Board, and the President and Chief Executive Officer. The Compliance Program includes methods for individuals to report concerns confidentially and anonymously, methods for responding to claims of improper, illegal or unethical activities, and audits or other methods to evaluate and monitor compliance and help to decrease identified deficiencies.

The Institution's external accounting firm, Baker Tilly US LLPC ("Baker Tilly"), meets with the Audit and Compliance Committee to discuss the audit approach, audit risk assessment, and the results of the annual audit of the Institution's consolidated financial statements. In addition, Baker Tilly meets with the Audit and Compliance Committee in an executive session to discuss other matters identified during the audit, as necessary.

The Institution maintains a culture of integrity and ethical conduct by holding its officers, employees, medical staff, contractors, volunteers, and others accountable for meeting its compliance responsibilities. Examples of these methods include ongoing and timely education, an established and clear code of conduct, a whistleblower policy, and regular self-monitoring activities.

Finance Committee

The Institution's Finance Committee monitors the Institution's financial performance on a regular basis, including managing the funds of the Institution, reporting to the Board on financial matters, overseeing the preparation of financial reports, reviewing the Institution's insurance coverage levels, and reviewing the Institution's investment and endowment funds.

Senior Management

A senior management team, including the current President and Chief Executive Officer of the Institution, supports and complements the governance activities of the Board, ensuring that policies, plans, and programs are implemented. The management team's major responsibilities are to:

- Formulate recommendations for consideration by the Board;
- Interpret, communicate and implement the direction and policy established by the Board;
- Establish the strategic, financial, and human resources plans for the Institution;
- Allocate human and financial resources throughout the Institution to achieve its organizational goals and objectives; and
- Monitor progress toward the goals and objectives of the Institution and initiate corrective plans when and where necessary.

The President and Chief Executive Officer reports to the Board and is supported by the other members of the Institution's senior management. Biographical information regarding the President and Chief Executive Officer and other key members of the Institution's senior management follows.

APPENDIX A

Daniel J. Messina, Ph.D., FACHE, LNHA, President and Chief Executive Officer. Daniel J. Messina, Ph.D., FACHE, LNHA, serves as the Institution's President and Chief Executive Officer. Dr. Messina joined the Institution in April 2014. Prior to joining the Institution, Dr. Messina served as the Chief Operating Officer of CentraState Healthcare System in Freehold, New Jersey for 13 years, where he had administrative responsibility for all System Operations for the Institution, Monmouth Crossing Assisted Living Facility, The Manor Skilled Nursing and Rehabilitation Center and Applewood Estates Continuing Care Retirement Community.

During his tenure as President and Chief Executive Officer of the Institution, Dr. Messina has continued the expansion of the Institution's primary and behavioral care networks along with the integration of those services. The Institution has recently formed its own Individual Provider Association (IPA), continued success in its Accountable Care Organization (ACO), RQLLC, and partnered in the Staten Island Performing Provider System (SI PPS) as part of New York State's Delivery System Reform Incentive Payment Program.

Dr. Messina serves as Trustee on the National Multiple Sclerosis Society, the New Jersey Chapter, where he served as Chairman, and the Alumni Board of Trustees at Seton Hall University. Dr. Messina has been honored by various organizations for his service to the community, including Seton Hall University with the "Many Are One" award, the American College of Healthcare Executives with the Senior, Early and Distinguished Service Awards, New Jersey Women Against MS, CentraState Auxiliary and the Staten Island Catholic Youth Organization. He has also been recognized by the Wagner College daVinci Society, St. Phillip's Baptist Church, the Have a Heart Foundation, and the Meals on Wheels of Staten Island.

Dr. Messina received his Bachelor of Science degree in Health Science/Respiratory Care from Long Island University Brooklyn, and earned his Masters in Public Administration in Healthcare Administration from Long Island University Post. He obtained his Doctor of Philosophy degree in Health Sciences and Leadership at Seton Hall University, where he currently serves as an Adjunct Professor in the School of Health and Allied Sciences.

Pietro Carpenito, M.D., Chief Medical Officer & Executive Vice President. Pietro Carpenito, M.D. is one of the founding members of the Board of the Institution, where he continues to serve on various board committees, including: Audit & Compliance Committee, Board Finance Committee, Board Quality Committee, Community Relations & Marketing Committee, Executive Council Committee, Governance Committee, Human Resources Committee, Intellectual Technology Board Committee, Joint Conference Committee, and Strategic Planning Committee.

As Executive Vice President, Dr. Carpenito is the liaison between the medical staff and the administration. He is responsible for clinical strategic planning and development of the organization ensuring, high-level physician integration. He is a member of various committees in the organization including: Operating Room Committee, Executive Committee of the Medical Staff, Continuing Medical Education Committee, Critical Care Committee, Credentials Committee, Hospitalwide Quality Committee. Dr. Carpenito is clinically active as the Chairperson of the Anesthesia Department, a position he has held for the past 24 years.

Dr. Carpenito is a graduate of the Universita degli Studi Di Pisa Facolta'di Medicina e Chirurgia, Italy. He is a member of the American Board of Anesthesiologists, New York State Society of Anesthesia, American Society of Anesthesiology, International Research Society, SAMBA, the Richmond County Medical Society, and the American Medical Association.

Dr. Carpenito has been honored numerous times for his commitment to the community, receiving the following awards: Robert J. O'Connor Award for Dedicated Service to the Medical Center & Staten Island Community, the Visiting Nurse Association Distinguished Healthcare Leader Award, Wagner College daVinci Society Award, the Rev. Dr. Martin Luther King Jr. Community Activist Award, the United Hospital Fund Distinguished Trustee of the Year Award, the Medical Staff Physician Leader Award, and the St. Elizabeth Seton/Dr. Richard Bayley Humanitarian Award.

Rosemarie Stazzone, RN, MSN, NEA-BC, Chief Operating Officer and Chief Nursing Officer. Rosemarie Stazzone serves as the Institution's Chief Nursing Officer and Chief Operating Officer. Mrs. Stazzone is responsible for the daily and strategic clinical operations throughout the Institution and is responsible for maintaining cohesive and collaborative internal relationships to assure continued service and commitment to organizational goals. Mrs. Stazzone serves as the executive leader in relationship building with other health care organizations, community

and business leaders, voluntary medical staff, medical staff leadership, government agencies, academic institutions and the Board. Prior to joining the Institution, she served as Vice President for Nursing and Patient Care Services at St. Vincent Catholic Medical Centers (Staten Island) for 2 years and before that was the Associate Vice President for Professional and Clinical Development, Patient Care Services at Staten Island University Hospital.

Mrs. Stazzone earned a master's degree in nursing from Wagner College, Staten Island, and her Bachelor of Science in Nursing at Medgar Evers College. She is a registered nurse in New York State and holds American Nurses Credential Center certification: Nurse Executive, Advanced. In addition, she is a member of the New York Organization for Nurse Executives, the American Organization of Nurse Executives, and the Sigma Theta Tau Nursing Honor Society, Epsilon Mu Chapter, which honored her with a Lifetime Achievement Award in 2006.

David Murray, CPA, MBA, FHFMA, Senior Vice President and Chief Financial Officer. Mr. Murray has over 25 years of experience in healthcare finance and is the former Vice President of Finance for the Inspira Health Network, which services patients in 5 counties of New Jersey. The Inspira Health Network has 3 medical centers, 5 health centers and over 150 locations. Prior to joining Inspira, he spent 3 years at UPS Supply Chain Solutions, formerly Livingston Healthcare Services Inc., where his responsibilities included financial management of the pharmaceutical distribution service line, and five years at Virtua Health System, formerly Memorial Hospital of Burlington County New Jersey.

Mr. Murray holds a MBA in Healthcare Administration from Eastern University and a Bachelor of Science Degree in Accounting from Rider University. He is a New Jersey Certified Public Accountant and a Fellow in the Healthcare Financial Management Association. He is a member of the American Institute of Certified Accounts, the New Jersey Society of Certified Public Accountants and Healthcare Financial Management Association. He currently serves as a board member for the New Jersey Healthcare Financial Management Association.

Richard Salhany, MBA, FACHE, President of Richmond University Health Network and Chief Administration Officer Mr. Salhany is a member of the Executive Team responsible for the medical operations working with the Medical Staff / Clinical Chairman and strategic planning for the organization. He is responsible for the development of new programs and expansion of the Richmond University Physician enterprise with multiple sites in Staten Island and Brooklyn. He is also the Executive responsible for the Level I Adult Trauma and Level II Pediatric Trauma Program certified by the American College of Surgeons, the Cardiac Catheterization / EPS Service Line and Graduate Medical Education.

In addition, he is responsible for a large Ambulatory Program including the Patient Centered Medical Homes, Adult, Pediatric, Ob-Gyn, specialty clinics and Wound Care Services. Mr. Salhany developed the Richmond Quality, LLC ACO which includes 21 physicians and over 7,000 Medicare patient lives and serves as the Executive Director. He and his team are also responsible for several projects related to the New York State Medicaid DSRIP initiative.

Mr. Salhany has held several executive positions within the organization including Vice President Operations, Senior Vice President Professional Services and Chief Operating Officer as he managed the transition of the medical center from the St. Vincent's Catholic Medical Centers Health System into an independent organization

Mr. Salhany received his MBA in management and marketing from Wagner College and completed his undergraduate studies at the College of Staten Island. Mr. Salhany is an ordained Deacon with the Archdiocese of New York at Our Lady Help of Christians R.C. Church.

He is a Fellow of the American College of Healthcare Executives, a Diplomate in Laboratory Medicine in the College of American Pathologist and a Cardiovascular Administrator in the Academy of Medical Administrators. He has been the recipient of various awards for his service to the community and achievements, including the Certificate of Special Congressional Recognition, New York State Certificate of Merit, Chamber of Commerce Building Award, Project Hospitality Sophie Mathews Award, CYO Leadership Award, Dr. Martin Luther King Jr. Business Achievement Award, EDEN II Dr. Anthony Moretti Business Leadership Award, Visiting Nurses Association (VNA) Stanley/Smith Award, Press Ganey Compass Award, American Cancer Society Sword of Hope Award and the Louis Caporicci Community Service Award for his service to the community of Staten Island.

He has authored various articles on healthcare most recently, Achieving ACO Savings: A Case Study featured in the Chief Executive Officer, a publication of the American College of Healthcare Executives CEO Circle.

Brian S. Moody, Esq., Senior Vice President of Legal Affairs and Risk Management, General Counsel and Chief Compliance Officer. Mr. Moody is the Senior Vice President in charge of the Institution's Legal, Corporate Compliance and Risk Management Departments, and acts as the Institution's General Counsel, Chief Compliance Officer, and Privacy Officer. Mr. Moody has more than 20 years of experience as a practicing attorney, and specializes in corporate law, health care law, regulatory compliance, litigation and privacy. Prior to joining the Institution, Mr. Moody worked as an Assistant District Attorney in the Kings County District Attorney's Office, thereafter becoming a partner and trial attorney at various firms where he litigated cases on behalf of health care providers, and advised hospitals and health care facilities on corporate and regulatory matters.

Mr. Moody obtained his Bachelor of Science Degree from Fayetteville State University, and Juris Doctor degree from North Carolina Central University School of Law. Mr. Moody is admitted to the New York State Bar, as well as to the United States District Courts for both the Eastern and Southern Districts of New York. He is Certified in Health Care compliance (CHC), as well as Professional Health Care Risk Management (CPHRM), and lectures on various topics regarding health care law, compliance and risk.

Laura Gajda, CFRE, FAHP, Vice President of Development. Laura Gajda, serves as the Institution's Vice President of Development. Prior to joining the Institution, Ms. Gajda served at University of Missouri Health Care as Executive Director of Advancement. As Vice President of Development, Ms. Gajda oversees fundraising efforts for the Institution and the Foundation. She has over 17 years of health care fundraising experience, and is a Certified Fund Raising Executive of the Association of Fundraising Professionals and a Fellow of the Association of Health Care Philanthropy. Ms. Gajda's experience includes capital campaigns, grant writing, major, annual and planned giving expertise, as well as experience in healthcare public relations and marketing. She has a Bachelor's Degree in Journalism from the University of Missouri and a Masters of Business Administration degree from Maryville University in St. Louis.

[*Remainder of this page intentionally left blank*.]

SERVICES AND PROGRAMS

The Institution, currently an affiliate of The Mount Sinai Hospital and the Icahn School of Medicine, is a 448 bed healthcare facility and teaching institution serving Staten Island residents in the areas of acute, medical and surgical care, including emergency care, surgery, minimally invasive laparoscopic and robotic surgery, gastroenterology, cardiology, pediatrics, podiatry, endocrinology, urology, oncology, orthopedics, neonatal intensive care and maternal health. The Institution earned The Joint Commission's Gold Seal of Approval for quality and patient safety.

The Institution is a Level 1 Adult and Level 2 Pediatric Trauma Center and a designated Stroke Center, receiving national recognition from the American Heart Association/American Stroke Association. The Cardiac Catheterization Lab has percutaneous coronary intervention capabilities for elective and emergent procedures in angioplasty. The Institution further maintains a Wound Care/Hyperbaric Center, a Sleep Disorder Center, a Neonatal Intensive Care Unit and a ST-Elevation Myocardial Infarction Center on-site at its main campus. The Institution also offers behavioral health services serving children, adults and families, encompassing both inpatient and outpatient services for children, adolescents and adults, including emergency inpatient and mobile outreach units and the only comprehensive psychiatric emergency department on Staten Island. The Institution is the only Staten Island facility that offers inpatient psychiatric services for adolescents.

Licensed Beds

As of December 31, 2021, the licensed bed allocation of the Institution was as follows:

Type Available	Number of Beds
Chemical Dependence - Detoxification Beds	7
Coronary Care Beds	10
Intensive Care Beds	20
Maternity Beds	34
Medical / Surgical Beds	286
Neonatal Continuing Care Beds	6
Neonatal Intensive Care Beds	8
Neonatal Intermediate Care Beds	11
Pediatric Beds	23
Pediatric ICU Beds	3
Psychiatric Beds	40
Total Beds	**448**

KEY SERVICES PROVIDED

Anesthesia

Envision, PC, provides high-quality anesthesia services at the Institution. The group is comprised of over 25 board-certified/eligible anesthesiologists specializing in all anesthesia subspecialties, including obstetrics anesthesia, pediatrics, critical care, perioperative medicine, trauma, ambulatory, office-based anesthesia, plastic surgery, and acute and chronic pain management. The Institution is in the process of seeking a new services agreement with a new provider of services.

Bariatric Services

The Institution's Institute of Weight Loss and Metabolic Surgery serves residents throughout Staten Island and beyond with a diverse range of surgical services provided by a team of highly-trained and experienced doctors.

Behavioral Health

The Behavioral Health Services at the Institution encompass both inpatient and outpatient psychiatric and substance abuse services. The Institution's behavioral health programs include a 55 bed adult inpatient mental health

unit and a 10 bed unit for children and adolescents. The Institution's services include individual and group therapy, medication management, patient and family education and rehabilitative activities.

Cardiology

The Institution offers comprehensive inpatient and outpatient cardiology services, from emergency care to sophisticated diagnostic and therapeutic procedures to risk screenings. The Institution's cardiac catheterization laboratory diagnoses and treats a full range of cardiac conditions and the Institution's electrophysiology laboratory and clinical arrhythmia service determine the cause of symptoms and disorders of the cardiac rhythm and provide sophisticated treatments in the form of medical therapies, arrhythmia radiofrequency ablation, pacemaker and defibrillator implantation and follow-up as well as the diagnosis and treatment of syncope. The Institution has an active Coronary Care Unit, as well as a 40 bed Telemetry Monitoring Unit, both of which are staffed by highly-skilled nurses who are trained to recognize and care for cardiac emergencies.

Emergency Services

The emergency department at the Institution, in part to the NYC 911 Receiving hospitals, including a Level I adult and a Level 2 pediatric Trauma Center, award-winning stroke center, psychiatric services, emergency surgery, and urgent care. The Institution's surgical team of physicians, specialists, and anesthesiologists handles over 1,000 adult and pediatric traumas per year. As of July 1, 2022, Emergency medical services will be provided in the emergency department by Mt. Sinai Hospital ("Mt. Sinai") physicians.

Gastroenterology/Endoscopy

The Ambulatory Center & Gastrointestinal/Endoscopy Suites at the Institution provide full-service ambulatory gastrointestinal services for children and adults. The Institution has 6 procedure rooms with recently purchased diagnostic and treatment equipment.

Maternity

The Institution has 40 bassinets and cares for 3,000 newborns annually. There are approximately 600 annual admissions to the Institution's Neonatal Intensive Care Unit and the Institution registers a survival rate of 997.2 out of 1,000 births. The Institution also provides support services for expectant mothers and new mothers such as childbirth classes, photography services, breastfeeding assistance, and partner accommodations.

The Institution continues to work toward becoming a Baby-Friendly Hospital. The Baby-Friendly Hospital Initiative ("BFHI") is a global program sponsored by the World Health Organization and the United Nations Children's Fund to encourage and recognize hospitals and birthing centers that offer an optimal level of care for infant feeding and mother-baby bonding. The BFHI assists hospitals in giving mothers the information, confidence, and skills needed to successfully initiate and continue breastfeeding their babies or feeding formula safely and gives special recognition to hospitals that have done so.

Oncology

In addition to general oncology services, the Institution also offers a variety of specialized services designed to address specific cancer-related issues. The Institution offers various diagnostic services, including a full range of laboratory services, x-ray imaging services, computerized axial tomography scan, mammography, magnetic resonance imaging, and positron emission tomography scan.

Pain Management

The Institution's pain management team has a number of non-surgical and surgical treatment options. Non-surgical treatments include physical therapy, steroid injections, and nerve blocks. When conventional treatments are unsuccessful anesthesiologists provide treatments, including spinal cord nerve stimulation.

Pediatrics

The Institution's Pediatrics Department is housed within the Center for Women & Children's Health, where the Institution provides inpatient, outpatient, and urgent care for children. The Institution's 27 bed Pediatric Unit admits over 2,000 patients annually and services include a Pediatric Intensive Care Unit which provides on-site surgery, endocrinology, pulmonology, hematology/oncology, and nephrology subspecialty services. The Institution's pediatric ambulatory service has over 10,000 patient visits annually. Additionally, the pediatric clinic, located at 800 Castleton Avenue provides walk-ins during normal business hours for routine illnesses such as earaches, colds, and sprains.

Radiology

The Institution's Vascular Interventional Radiology Department performs approximately 2,000 procedures each year. The Institution's board-certified and board-qualified radiologists offer various imaging modalities with advanced subspecialty fellowship training in their areas of expertise. The Institution provides a range of imaging and radiology services including x-ray, ultrasound, magnetic resonance imaging, computed tomography scan, and positron emission tomography scan.

Rehabilitation Services

The Institution's Rehabilitation Services Department offers a wide range of treatments and therapies on an inpatient and outpatient basis including physical therapy, occupational therapy, and speech-language pathology.

Sleep Disorders

The Sleep Disorders Institute is a full-service sleep disorders program accredited by the American Academy of Sleep Medicine and was named a "Center of Excellence" by New York Magazine's issue on the Best Hospitals in New York.

Stroke Center

For 3 consecutive years, the Institution has received the Get with the Guidelines-Stroke Gold Plus Quality Achievement Award from the American Heart Association/American Stroke Association. The Institution is also the recipient of The Joint Commission's Gold Seal of Approval for quality and patient safety.

Ophthalmology, Disease and Surgery

The Institution offers comprehensive vision and eye care services and the highest level of treatment for cornea and external eye diseases, oculo-plastic and orbital reconstruction, glaucoma, diabetic retinopathy, macular degeneration, pediatric ophthalmology and strabismus, neuro-ophthalmology, and HIV-related eye conditions.

Wound Care

The Institution provides comprehensive wound care management, and the Institution's staff encompasses a multidisciplinary team of wound care specialists devoted to the treatments of chronic wounds. The Institution specializes in non-healing wounds, diabetic ulcers, and hyperbaric oxygen therapy.

APPENDIX A

Quality Achievements

In recent years, the Institution has achieved numerous quality achievements, including the following:

- Blood Banks: *American Association of Blood Bank*
- Blood Gas Laboratory: *College of American Pathologists*
- Cancer Program: *American College Surgeons, Commission on Cancer*
- Continuing Medical Education: *The Medical Society of the State of New York*
- Community Training Center: *American Heart Association*
- Emergency Department: Violence Against Women Designation
- Hospital Accreditation: *The Joint Commission*
- Mammography: *American College of Radiology*
- Meaningful Use Health Information Technology: *Health Information Technology for Economic and Clinical Health Act; United States Federal Government*
- Pathology Service: *College of American Pathologists;*
- Patient Centered Medical Home Level 3 Designation: *National Committee for Quality Assurance*
- Primary Stroke: *American Heart Association: Gold Plus Stroke Award*
- Psychiatry Residency Program: *Accreditation Council for Graduate Medical Education*
- Resident Education: *American College Medical Education Sponsoring Institution*
- St. George Clinic: *NYS Health Center for Excellence in Integrated Care; Office of Mental Health*
- Trauma Services - Adult Level I & Pediatric Level II: *American College of Surgeons*
- Tobacco Free Best Practices Bronze Award: *NYC Department Health*
- Ultrasound: *American Ultrasound Institute of Medicine*
- Obstetrical Improvement Project's 2013 Quality Improvement Award: *New York State Perinatal Quality Collaborative*

[*Remainder of this page intentionally left blank.*]

MEDICAL STAFF

Physician Overview

The Institution's medical staff consists of a roster of active employed and non-employed physicians. As demonstrated in the table below, the top 25 physicians by discharges (where a discharge is defined as an inpatient encounter in which the physician was recorded as the attending physician) account for approximately 60% of the Institution's inpatient cases in fiscal year 2021. Admits are distributed evenly among the medical staff with no one physician contributing more than approximately 10.0% of combined admissions during those time periods.

RICHMOND UNIVERSITY MEDICAL CENTER
Leading Active Physician Admitters

		Credited Discharges *		
Department	**Age**	**2021**	**% of Total**	**% Cumulative**
Pediatrics	50	1395	10.0%	10.0%
Medicine - Internal Medicine	36	912	6.6%	16.6%
Medicine - Internal Medicine	56	781	5.6%	22.2%
Medicine - Internal Medicine	50	694	5.0%	27.2%
Medicine - Internal Medicine	37	539	3.9%	31.1%
Pediatrics	52	478	3.4%	34.5%
Psychiatry	41	440	3.2%	37.7%
Medicine - Critical Care Medicine	65	426	3.1%	40.7%
Medicine - Internal Medicine	35	399	2.9%	43.6%
Obstetrics & Gynecology	48	398	2.9%	46.5%
Pediatrics	67	393	2.8%	49.3%
Psychiatry	50	382	2.7%	52.0%
Pediatrics	60	314	2.3%	54.3%
Medicine - Internal Medicine	49	303	2.2%	56.5%
Obstetrics & Gynecology	47	273	2.0%	58.4%
Obstetrics & Gynecology	65	209	1.5%	59.9%
Subtotal		8,336		
Average Age of Leading Admitters	54			
Remaining Admitters		5,574	40.1	100.0%
Total Admissions		13,910	100.0%	

Source: Internal Institution Data

APPENDIX A

The table below represents the profile of the Institution's Medical Staff members, depicting the wide range of services available. More than 85% of the Medical Staff are board certified. The average age of 54 years old is slightly above the National average of 51.3 years old (U.S. Census of Physicians).

RICHMOND MEDICAL CENTER Current Physician Roster (2021)								
Department	**Physician Count**	**Average Age**	**2020 Discharges**	**% of Total**	**2021 Discharges**	**% of Total**	**Count of Age 60+**	**% Over 60**
PRIMARY CARE								
Family Medicine	9	60	2	0.0%	-	0.0%	6	66.7%
Internal Medicine	83	54	3,832	27.6%	4,422	31.8%	29	34.9%
Obstetrics & Gynecology	37	53	2,975	21.4%	2,887	20.8%	11	29.7%
Pediatrics	88	54	3,219	23.2%	3,521	25.4%	32	36.4%
Primary Care Total	217	55	10,028	72.2%	10,830	78.0%	78	35.9%
MEDICINE								
Allergy & Immunology								
Cardiology	28	53	58	0.4%	31	0.2%	9	32.1%
Dermatology	6	58		0.0%		0.0%	3	50.0%
Emergency Medicine	25	40	1	0.0%	-	0.0%	1	4.0%
Endocrinology	3	55		0.0%	5	0.0%	1	33.3%
Gastroenterology	18	51	4	0.0%	4	0.0%	6	33.3%
Infectious Disease	4	49		0.0%		0.0%		0.0%
Laboratory Medicine	3	58		0.0%		0.0%	1	33.3%
Nephrology	19	57	538	3.9%	15	0.1%	9	47.4%
Neurology	23	55	9	0.1%	-	0.0%	11	47.8%
Oncology/Hematology	8	57	3	0.0%	1	0.0%	4	50.0%
Pulmonary	9	65	131	0.9%	44	0.3%	7	77.8%
Disease/CCM				0.0%		0.0%		
Medicine Total	146	54	744	5.4%	100	0.7%	52	35.6%
SURGERY								
General Surgery	13	49	863	6.2%	776	5.6%	3	23.1%
Neurosurgery	4	57	109	0.8%	116	0.8%	1	25.0%
Orthopedics	17	52	160	1.2%	183	1.3%	5	29.4%
Otolaryngology	8	49	9	0.1%	14	0.1%	2	25.0%
Plastic & Reconstructive	8	55	20	0.1%	22	0.2%	4	50.0%
Podiatry	25	47	1	0.0%	1	0.0%	5	20.0%
Thoracic	6	58	41	0.3%	40	0.3%	3	50.0%
Urology	7	58	60	0.4%	60	0.4%	3	42.9%
Vascular	6	53	74	0.5%	54	0.4%	1	16.7%
Surgery Total	94	53	1,337	9.6%	1,266	9.1%	27	28.7%
PSYCHIATRY	26	55	1,213	8.7%	1,197	8.6%	8	30.8%
OTHER	26	58	-	0.0%	-	0.0%	13	50.0%
Anesthesia	4	55	523	3.8%	472	3.4%	1	25.0%
Critical Care Medicine	2	68	2	0.0%		0.0%	2	100.0%
Geriatrics	16	62		0.0%		0.0%	9	56.3%
Ophthalmology	89	54	2	0.0%	1	0.0%	28	31.5%
Radiology	26	58	-	0.0%	-	0.0%	13	50.0%
Other Total	137	59	527	3.8%	473	3.4%	53	38.7%
ALL OTHER	13	61	32	0.2%	23	0.2%	8	61.5%
Total	633	54	13,881	100.0%	13,889	100.0%	226	35.7%

1. All Other Departments consist of dentistry, rheumatology, colo-rectal surgery, pediatric surgery, oral surgery, rehabilitation and nurse practitioners.
2. Physician count includes all physicians with a designated status of active, temporary or pending/provisional as of December 31, 2021.

Source: Internal Institution data

Affiliations

The Institution is affiliated with the following:

- The Institution is currently an affiliate of Mt. Sinai one of the top hospitals in the U.S. as identified by the *US News and World Report*. Mt. Sinai brings quality of care, as well as an academic medical center affiliation helping to promote the Institution's various clinical services, including the Heart Institute with invasive cardiology. The current clinical affiliation with Mt. Sinai will end effective as of September 30, 2023.

Teaching Programs

The Institution is an academic affiliate of State University of New York Downstate Health Sciences University College of Medicine as of 2020.

The Institution is affiliated with New York Medical College providing Institution Review Board ("IRB") support for Institution research activity. The Institution is a clinical site for medical students' core rotation in pediatrics, obstetrics and gynecology and medicine. The Institution has a clinical affiliation with Mt. Sinai with clinical activity in oncology and urology services. South Beach Psychiatric Center is a participating site for the psychiatry program of Staten Island Mental Health Society, which provides mental health, services to children and adolescents.

The Institution provides clinical teaching and core rotations and electives for medical students from:

- New York Medical College
- St. Georges University
- American University of Antigua

Affiliated programs/ Participating Site include

- SUNY Downstate Health Sciences University's Integrated General Surgery Residency Training program with the Institution (11 residents)
- SUNY Downstate Ophthalmology Residency Training program (1 residents)
- SUNY Downstate Cardiology Fellowship training Program (6 fellows)
- NYMC Metropolitan Hospital Nephrology Fellowship program (1 fellow)

The Institution sponsors the following training programs (5 residency training programs and 1 Fellowship program)

- Accreditation Council for Graduate Medical Education accredited residency training program in obstetrics and gynecology 16 residents
- Accreditation Council for Graduate Medical Education accredited residency training program in pediatrics 18 residents
- Accreditation Council for Graduate Medical Education accredited residency training program in psychiatry 24 residents
- Accreditation Council for Graduate Medical Education accredited residency training program in radiology 8 resident
- Accreditation Council for Graduate Medical Education accredited residency training program in internal medicine 66 residents
- Council on Podiatric Medical Education accredited residency training program in podiatry 6 residents
- Accreditation Council for Graduate Medical Education accredited Fellowship training program in hematology / oncology 3 fellows
- Society of American Gastrointestinal and Endoscopic Surgeons Fellowship Council accredited minimally invasive fellowship 1 fellow

Total of 161 residents and fellows, 142 FTE

EMPLOYEES

The Institution is one of the largest employers on Staten Island with its main campus located at 355 Bard Avenue and with other locations throughout the Staten Island community. As of December 31, 2021, there were 1,849 full-time equivalents, 276.99 part-time and 2.95 per diem equivalent employees, with a total of 2,128.94 employees.

As shown in the following table, employment statistics from the U. S. Department of Labor indicate that as of March 2021, there were approximately 123,300 individuals employed in Staten Island. The New York State Department of Research and Statistics show that while the total labor force declined slightly over the 12-month period from March 2020 to March 2021, the number of unemployed individuals has also decreased. The overall unemployment rate as of April 2022 for Staten Island is 5.2%.

The below is a listing of the major industries on Staten Island, demonstrating a reliance on the education and health care services sector. However, a large segment of the workforce leaves Staten Island for employment opportunities elsewhere, helping with employment diversification.

Staten Island, New York
Major Industries

Industry	2018
Education and health care services	63,621
Professional and management services	24,172
Finance and insurance, and real estate	21,039
Retail trade	19,750
Construction	15,899
Transportation and warehousing, and utilities	15,110
Arts, entertainment and recreation	14,886
Public administration	14,102
Other services, except public administration	8,609
Manufacturing	5,335

The Institution has collective bargaining agreements with numerous unions covering 2,059 members in the aggregate. These include: (1) New York State Nurses Association ("NYSNA") which expires December 31, 2022 (576 members); (2) 1199SEIU United Healthcare Workers East ("1199") which expires September 2024 (1217 members); (3) International Union of Operating Engineers Local 30 which expires December 31, 2023 (34 members); (4) Local 95 DC 1707, AFSCME AFL-CIO (50 members); (5) House Staff Association (144 members); and (6) Special and Superior Officers Benevolent Association (38 members).

Health Insurance

The Institution self-insures its employee health insurance coverage. The Institution accrues the estimated costs of incurred and reported and unreported claims, after consideration of its stop-loss insurance coverage, based upon data provided by the third-party administrator of the program and historical claims experience. The self-insured liability was approximately $897,000 and $636,458 at December 31, 2021 and 2020, respectively.

[*Remainder of this page intentionally left blank*.]

Retirement Plans

Defined Contribution Pension Plans

The Institution maintains a 403(b) tax sheltered annuity plan for its non-union employees in which the employees contribute to the plan with no employer match. The Institution also maintains a 401(a) contributory plan for its non-union employees which provides for a discretionary contribution by the Institution that is allocated to the employees based on qualified compensation as defined by the plan. Total pension expense associated with the 401(a) plan was approximately $3,582,000 in 2021 and $2,762,000 in 2020. In addition, the Institution contributes to certain union pension plans as described below.

Multiemployer Pension Plans

The Institution contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees, the 1199 SEIU Healthcare Employees Pension Fund ("1199 SEIU Plan"). The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If an employer chooses to stop participating in some of its multiemployer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Institution's participation in this plan for the years ended December 31, 2021 and 2020 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number ("EIN"). Unless otherwise noted, the most recent Pension Protection Act ("PPA") zone status available in 2021 and 2020 is for a plan's fiscal year beginning January 1, 2021 and 2020, respectively. This zone status is based on information that the Institution received from the plans and is certified by the plans' actuaries. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded, and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan ("FIP") or rehabilitation plan ("RP") is pending or has been implemented. The last column lists the expiration dates of the collective bargaining agreements to which the plans are subject. In addition, in July 2009 wage concessions were agreed to by 1199 to offset a portion of the impact of the increase in annual contributions from contributing members.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status as of January 1		FIP/RP Status Pending/ Implementation	Company Contributions (in thousands)		Sur-Charge Imposed	Expiration Date of Collective-Bargaining Agreements
		2021	2020		2021	2020		
1199 SEIU Plan	13-3604862/001	Green	Green	No	$7,192	$7,115	No	September 30, 2024

The Institution was not listed in the 1199 SEIU Plan's 2020 Form 5500 as providing more than 5% of the total plan contributions. Form 5500 is not available for the plan's year ended in 2021.

Defined Benefit Pension Plan

The Institution has a noncontributory defined benefit pension plan (the "Plan") covering the eligible employees represented by the NYSNA. Although the Plan became effective January 1, 2012, pursuant to a collective bargaining agreement by and between the Institution and NYSNA, the Plan provides benefits with respect to service beginning on and after April 1, 2010 and certain retroactive recognition of eligibility and vesting service. The Plan uses a December 31 measurement date. The Institution's funding policy is to contribute annually at least the minimum amounts required under the Employee Retirement Income Security Act of 1974. In 2021 the NYSNA pension liabilities were $34,865,278

and the Institution has made all required contributions. In connection with the acquisition of SIMH, effective January 1, 2019, the Institution became the sponsor of SIMH noncontributory defined benefit pension plan. In 2021, the SIMH Pension liabilities were $3,425,324 and the Institution has made all required contributions.

USE OF PROCEEDS OF THE SERIES 2022 BONDS

The project being financed with the proceeds of the Series 2022 Bonds is the: (i) finance (A) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's campus, (B) other hospital expansions, renovations and equipment to be located on the Institution's campus, (ii) fund the Series 2022 Bonds Debt Service Reserve Account within the Debt Service Reserve Fund and (iii) fund certain costs related to the issuance of the Series 2022 Bonds.

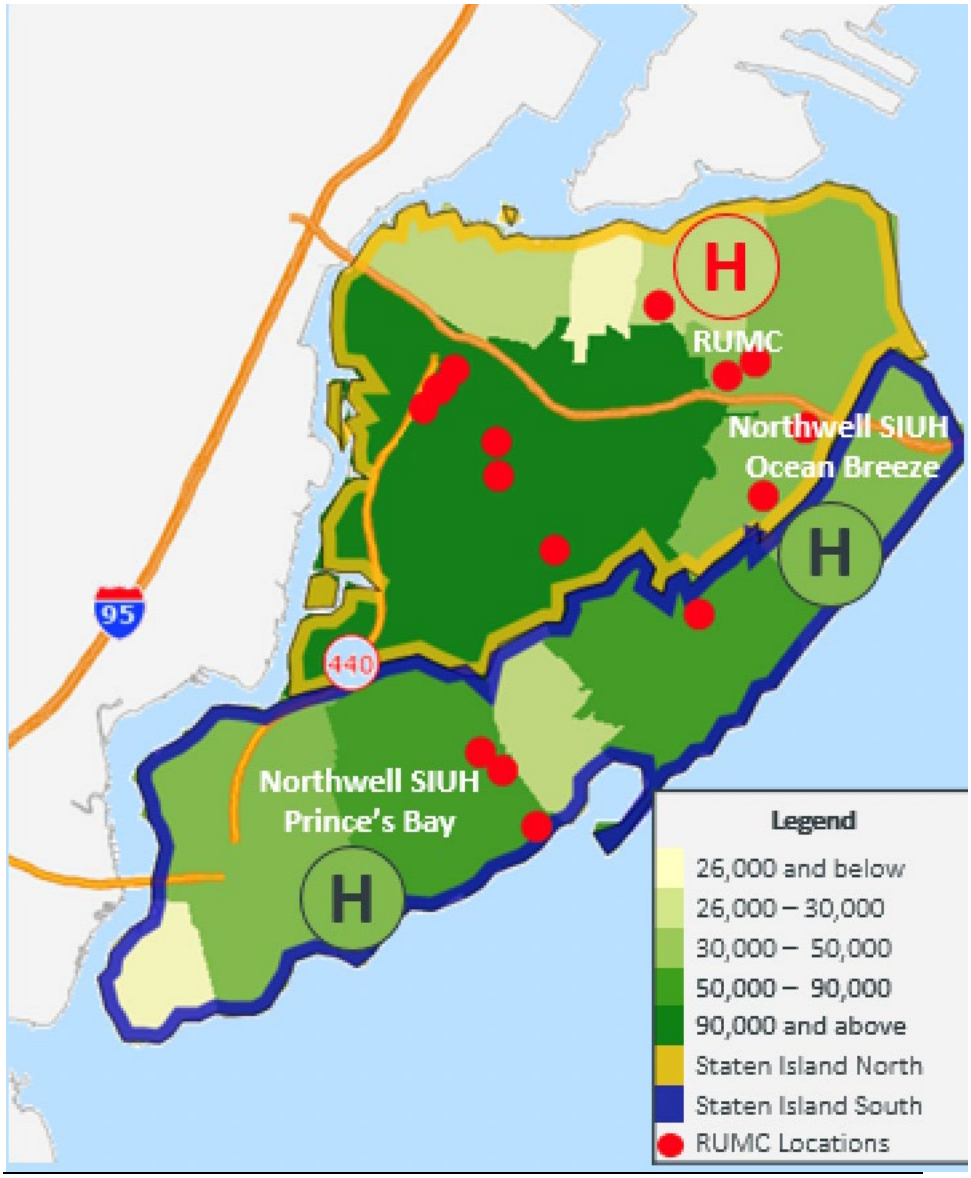
SERVICE AREA AND DEMOGRAPHICS

Patient Origin/Destination

A patient origin analysis was performed for the Institution by Kaufman, Hall & Associates, LLC ("KHA") dated October 6, 2021, (the "MOA Report") for total adult and pediatric discharges (excluding normal newborns) to assist in the establishment of a primary service area ("PSA") and secondary service area ("SSA"). The defining of these areas is critical in the development of population demographics, socio-economic indicators, historical use rates, and market shares. Overall the PSA and SSA were identified to account for over 88% of patients.

Based on the MOA Report, the Institution defines its service area as the area comprising contiguous zip codes where Institution-owned off-site ambulatory care facilities are located and where there is a natural break in patient volumes (see map) to account for over 88% of total discharges. Based upon the MOA Report, a PSA was identified where the Institution receives 66.9% of its patients from eight zip codes; 10301 (Randall, Manor, St. George, Silver Lake), 10314 (Bulls Head, Westerleigh, Castleton Corners), 10310 (Port Richmond, West New Brighton, West Brighton), 10304 (Stapleton, Fox Hills, Park Hill), 10303 (Mariner's Harbor), 10302 (Port Richmond), 10311 (Bulls Head), and 10313 (New Springville). The SSA accounts for approximately 21.4% of patients and includes the zip codes of 10306 (Midland Beach, New Dorp, Bay Terrace), 10309 (Charleston, Pleasant Plains, Prince's Bay), 10308 (Great Kills), 10307 (Tottenville), 10312 (Rossville, Arden Heights, Annadale, Eltingville), and 10305 (Rosebank, Dongan Hills, Arrochar). The map below depicts a representation of the Institution's service area.

[*Remainder of this page intentionally left blank.*]



Source: 2020 IP Utilization Data Claritas Population Data; 2021-2025 ("Claritas Utilization")

Population data for the Institution's service area, New York State, and the United States were compiled from Claritas Utilization. Population data for the Institution appears in the table below and the data is based on the 2020 census with 2022 estimates and 2027 projections. The table below also delineates the compound annual growth rate ("CAGR") for each age cohort and the total population.

APPENDIX A

Age Cohort[1]	Population (2022) In thousands	Population (2027) In thousands	5-Year CAGR
0-17	**106.8**	**109.6**	**0.5%**
18-34	**107.3**	**108.7**	**0.3%**
35-54	**127.5**	**132.8**	**0.8%**
55-64	**68.5**	**69.5**	**0.3%**
65+	**89.0**	**106.8**	**3.7%**
Total	**499.1**	**527.4**	**1.1%**

According to 2020 U.S. Census Data, the population for the entire service area was approximately 499.100. It has been forecasted by the Institution that between 2022 and 2027 overall population growth will be approximately 5.5% ,with a CAGR of 1.1%.

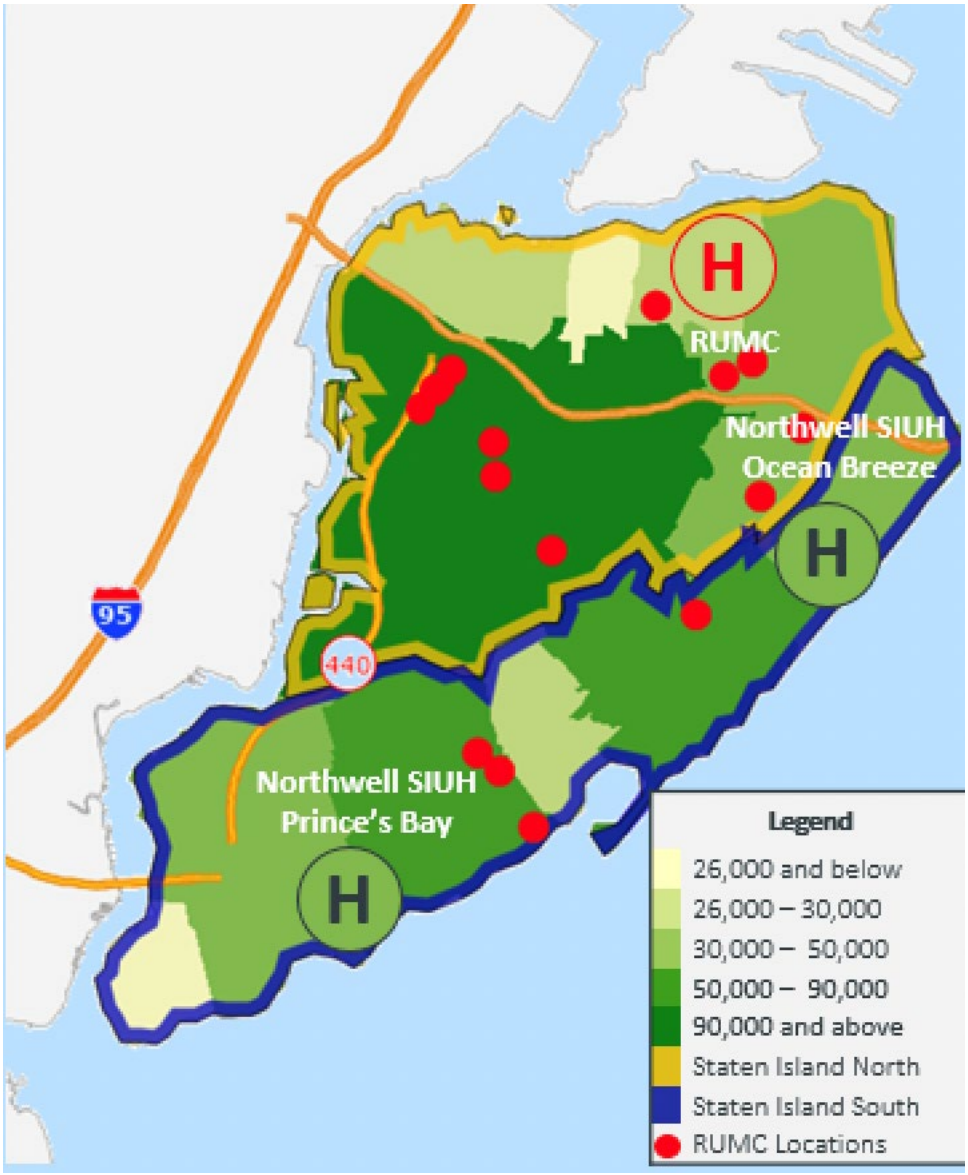
The 65+ age cohort is one of the smallest but by far the fastest growing age subset within the service area, showing a forecasted CAGR of 3.7% from 2022 to 2027. Based on the 2020 U.S. Census Data, the MOA Report projects that the 65+ cohort is expected to increase approximately 20% from 2022 through 2027. Based on the 2020 U.S. Census Data, the MOA Report projects that overall, the percentage of the population that is 65+ is predicted to increase from approximately 17% to approximately 20%. Healthcare utilization within this age cohort is likely to increase due to more chronic and age-induced ailments and diseases. The prevalence of diseases such as diabetes, hypertension, and heart disease are likely to increase with age, particularly in the primary service area.

[*Remainder of this page intentionally left blank*.]

[1] Source(s): 2020 IP Utilization Data Claritas LLC Population Data, 2021 - 2026

COMPETITION

The Institution's primary competitor is Staten Island University Hospital ("SIUH"), a 652-staffed bed teaching facility. SIUH is comprised of two campuses: The North Campus located at 475 Seaview Avenue (indicated as Northwell SIUH Ocean Breeze on the map below) and the South Campus located at 375 Seguine Avenue (indicated as Northwell SIUH Prince's Bay on the map below).



Market Share Analysis (Primary Service Area)

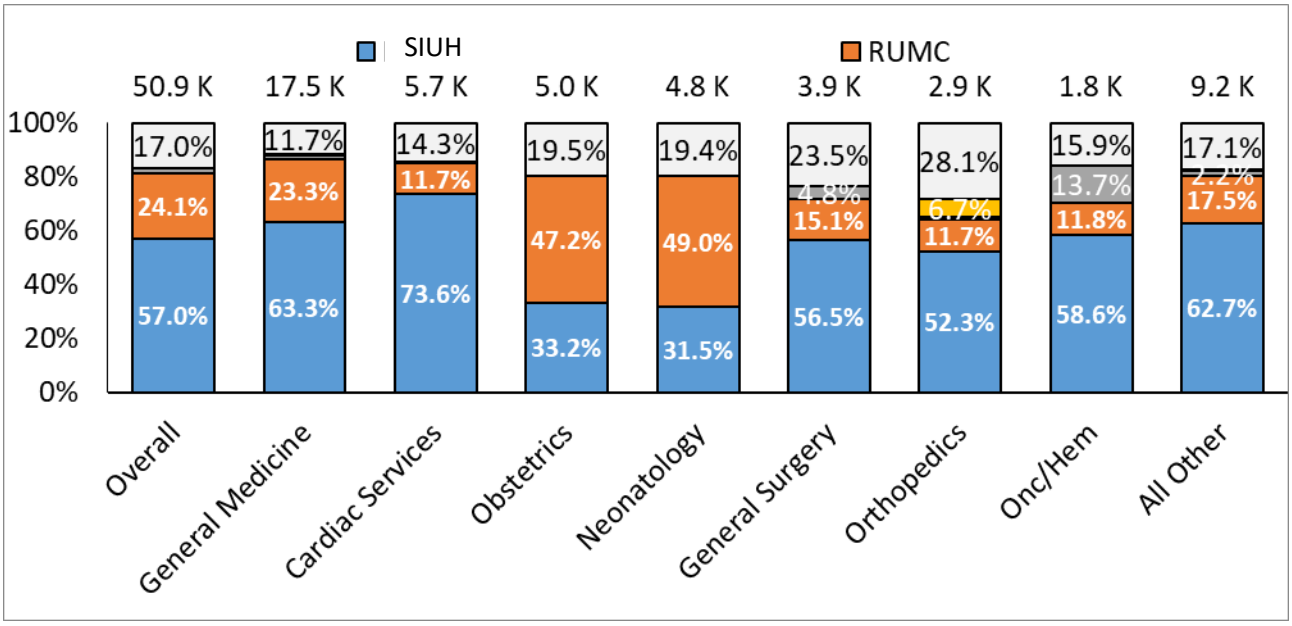
An analysis of the Institution's market share within its defined PSA was performed for the calendar year 2020 pursuant to the MOA Report. The Institution and SIUH are the dominant providers in the Staten Island service area, demonstrating that residents of Staten Island prefer to remain in the borough to receive their patient care. Although SIUH is the market share leader in the PSA, the Institution attained approximately a 24% market share. In addition, the Institution is the market share leader in Obstetrics and Neonatology, two key services on Staten Island.

APPENDIX A

Overall Market Share

SIUH is the dominant provider in the PSA, with its North campus and South campus combining to account for 57% of the fiscal year 2020 inpatient services in the PSA zip codes. The Institution is the second leading provider in the PSA with a 24.1% market share in 2020.

INPATIENT MARKET SHARE BY SERVICE LINE
Staten Island 2020



Source: SPARCs Inpatient Database 2020

[*Remainder of this page intentionally left blank.*]

STRATEGIC DIRECTION

In an effort to keep up with growth in outpatient services, the Institution has plans to open additional off-site outpatient facilities to grow its service area. There are only 2 inpatient acute care facilities serving Staten Island, thereby making the competition readily identifiable. Accordingly, the Institution believes it is critical to grow and solidify its service areas through an increase in off-site services in primary care, behavioral health, cancer treatment, and others. As such, to date, the Institution has opened 13 such sites with plans to open more in the near future. Currently, the Institution is looking at the Teleport Women's Center for future expansion, expanding behavioral health programs to include intensive outpatient services, expanding Richmond University Health Partners IPA (providing back-office assistance to local community physicians), and establishing outpatient clinics at the Tottenville Clinic and Wagner University. Additionally, the expansion of the Institution's Emergency Department at the main campus is a critical component of the Institution's overall strategic plan, which will allow for the anticipated growth in emergency visits and outpatient services, along with an anticipated increase in inpatient utilization.

Specialty Services

The following programs highlight the Institution's strategic thinking regarding both the needs of the community served (population health) and service diversification:

- Level 1 Adult and Level II Pediatric Trauma Center: Able to receive and treat high-end tertiary care trauma cases without the need to transfer to another facility including trauma and neurosurgical services.
- Cardiology Program: Co-sponsored with Mt. Sinai, provides for angioplasty/percutaneous coronary intervention for interventional radiology. The Institution also received Joint Commission certification for Heart Failure and Chest Pain.
- Cancer Care: The Institution is exploring the expansion of its current radiation oncology/chemotherapy services with a nationally known cancer treatment provider. Being a 340B provider allows the Institution to purchase therapeutic agents at a discounted cost and to provide high-quality, low cost, multidisciplinary, patient centered care. The Institution currently has an off-site cancer center and is exploring the expansion of this service line.
- Neuro-Surgery Program: The program is an employed model with 2 employed neuro-surgeons so as to be able to provide 24/7 coverage and to back-up the Level 1 Trauma Center. The Institution recently hired a neuro-surgeon who had been with Mt. Sinai and was head of quality at Continuum Health Partners, a Manhattan based provider.
- Thoracic Surgery: The Institution recently hired a thoracic surgeon who is also the Chairman of Surgery. He has an established referral base and will service cases from the Level 1 Trauma Center, rather than having the Institution refer patients outside of the hospital.
- Bariatric Surgery: The Institution recently hired a surgeon to start-up this much needed program on Staten Island. Management anticipates significant growth potential for this product line.
- Breast Center: The Institution recently opened a new ambulatory center with a significant portion of the building dedicated to the needs of women. The Breast & Women's Imaging Center offers surgical and non-surgical services related to the disease of the breast.

Community Benefit

The Institution's goal is to provide the communities it serves with high quality, affordable, and compassionate health care. The Institution provides charity care to patients who meet certain criteria without charge or at amounts less than its established rates. The Institution provides free care or sliding fee scales based on federal poverty income guidelines or when it determines patients are unable to fulfill their obligations to the Institution. Since the Institution does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

The Institution provides care to patients who meet certain criteria defined by the New York Department of Health and Senior Services ("DHSS") without charge or at amounts less than established rates. The current DHSS charity care guidelines require participation and cooperation of the patient in order to be identified as a charity care account. The Institution maintains records to identify and monitor the level of charity care it provides. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of

gross uncompensated charges for the patients receiving charity care. Uncompensated care provided, based on cost, was approximately $16,578,697 in 2021 and $26,863,000 in 2020. The Institution receives partial reimbursement for the charity care it provides.

The Institution also provides community services, including free and low-cost screenings, such as blood pressure, cholesterol, and immunization. Free immunization is offered to senior citizens. The Institution holds various educational programs concerning such topics as nutrition and childbirth. In addition, the Institution provides free space to various community organizations for their meetings.

UTILIZATION TRENDS

Overview

Historical trends for inpatient use-rates (total facilities discharges per 1,000 population) and market shares were analyzed by the Institution to determine whether there have been changes in overall hospital utilization patterns as compared to local competition. Healthcare utilization for total hospital discharges were analyzed for the historical period of 2019 through 2021.

Use-rates have been declining over the past four-year period, which is in keeping with national trends. As the 65+ age cohort grows, making up a larger percentage of the overall population, is likely to increase an increase in the utilization of medical services, since advancing age is associated with an increasing prevalence of health problems such as diabetes, heart disease and stroke. As the population ages, the risk factors for development of cardiovascular disease and stroke are expected to continue to rise continuing to contribute to increased hospitalizations. The following table shows the historical utilization rates within the PSA and SSA.

HISTORICAL UTILIZATION RATES
(discharges per 1,000 population)

	2019	2020	2021
Primary Services Area			
Medical/Surgical (Adult)	125.2	121.5	120.5
Pediatrics	29.9	31.9	31.6
OB/GYN	66.0	67.3	66.6
Behavioral Health	7.4	6.6	6.5
Total PSA	125.7	122.9	122.0
Secondary Service Area			
Medical/Surgical (Adult)	117.9	118.9	117.9
Pediatrics	23.4	21.7	21.5
OB/GYN	36.7	40.1	39.7
Behavioral Health	4.2	3.8	3.8
Total SSA	113.1	114.1	113.3
Total Service Area Combined	122.2	120.5	119.6

In addition, the below table summarizes historical inpatient volumes by service line. Generally, forecasting future growth of utilization takes into consideration growing/declining populations, changes in age cohorts, use-rates, market shares, average length of stay and the future plans of the Institution's management. Management expects the Institution utilization's to grow due to the new Emergency Department which was financed with the Series 2018 Bonds and the Series 2022 Bonds, the Institution's commitment to growth of its ambulatory care network, enhanced overall facility appearance, population increases and the growth of the 65+ age cohort and additional medical staff members. Below are the utilization results by major healthcare service over the prior years ended December 31, 2019, 2020 and 2021.

SUMMARY OF INPATIENT UTILIZATION			
For the Years Ended December 31,			
	2019	2020	2021
Medical/Surgical			
Discharges (a)	6,687	6,406	6,656
Patient Days (b)	39,580	43,346	42,730
LOS	5.92	6.77	6.42
Operational Beds (c)	145	126	126
Occupancy %	74.8%	94.3%	92.9%
Pediatrics			
Discharges (a)	727	526	546
Patient Days (b)	1,787	1,352	1,415
LOS	2.46	2.57	2.59
Operational Beds (c)	20	17	17
Occupancy %	24.5%	21.8%	22.8%
OB/GYN			
Discharges (a)	3,037	2,874	2,765
Patient Days (b)	8,344	6,644	6,218
LOS	2.75	2.31	2.25
Operational Beds (c)	30	18	18
Occupancy %	76.2%	101.1%	94.6%
Behavioral Health			
Discharges (a)	1,250	1,209	1,198
Patient Days (b)	14,838	14,267	14,460
LOS	11.87	11.80	12.07
Operational Beds (c)	46	45	45
Occupancy %	88.4%	86.9%	88.0%
Total (Excluding Newborns)			
Discharges (a)	11,701	11,015	11,165
Patient Days (b)	64,549	65,609	64,823
LOS	5.52	5.96	5.81
Operational Beds (c)	241	206	206
Occupancy %	73.4%	87.3%	86.2%
NICU	572	514	419
Total Discharges including NICU	12,273	11,529	11,584
Newborn Discharges	2,424	2,352	2,305
Total RUMC Discharges	**14,697**	**13,881**	**13,889**

APPENDIX A

MANAGEMENT DISCUSSION OF RECENT UTILIZATION TRENDS

Total inpatient discharges declined by 808 or 5.50% between 2019 and 2021, with a decrease in all services. During 2020 discharges decreased by 816 or 5.55% from the previous year, with patient volume decreasing in all service lines as a result of the COVID-19 pandemic shutting down elective surgeries and causing people to be afraid to come to hospitals. The Institution experienced a slight increase in inpatient discharges of eight discharges or .06% in the year ended December 31, 2021. The increase in discharges was primarily in medicine and pediatric services. Management believes that much of the increase was due to COVID-19 surges throughout the year.

RESPONSE TO THE COVID-19 PANDEMIC

On January 31, 2020, Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the entire United States to aid the nation's healthcare community in responding to COVID-19. Due to conditions of extreme peril and the imminent and proximate threat to public health relating to COVID-19, on March 7, 2020, Governor Cuomo proclaimed a state of emergency in New York and on March 13, 2020, the President of the United States declared the ongoing COVID-19 pandemic of sufficient severity and magnitude to warrant an emergency declaration for all states, tribes, territories, and the District of Columbia pursuant to Stafford Act § 501(b).

To manage the spread of COVID-19, the Centers for Disease Control and Prevention ("CDC") recommended emergency protective measures which resulted in a sudden and unanticipated need for goods and services. COVID-19 had significant negative impacts on global and nationwide supply chains. Extreme shortages in the supply chain were created by a heightened demand for powered air-purifying respirators, ventilators, cleaning and disinfection products, and Personal Protective Equipment ("PPE"), such as gloves, face masks, N95 respirators, eye protection, and gowns.

The Institution engaged in efforts to provide critical medical care to the Staten Island community during COVID-19. The Institution established a COVID-19 Taskforce to manage daily patient census, staffing changes, supplies of protective equipment, and testing results. The Institution continued to provide a variety of services, including acute, emergency care, surgery, minimally invasive laparoscopic and robotic surgery, gastroenterology, cardiology, pediatrics, podiatry, endocrinology, urology, and oncology, among other services.

At the peak of the pandemic between March and May 2020, the Institution expanded bed capacity to 73 ICU beds and 324 total staffed beds, from 37 and 296, respectively. In addition, the Institution prepared a strategic reserve of PPE and ventilators to meet a potential surge.

The Institution has administered 71,331 COVID-19 tests, and over 42,000 vaccine doses to over 19,300 individuals. As of February 28th, 2022, the Institution reported an estimated $33.5 million in direct costs related to COVID.-19

In further response to the COVID-19 pandemic, the Institution coordinated efforts to purchase drugs, medical equipment and supplies needed to provide critical medical care to the Staten Island community. In addition, the Institution's Procurement Management Department coordinated the purchase, identification, and procurement of PPE and other supplies to protect the Institution employees and patients. Due to the greatly increased need of PPE and Supplies and the shortages caused by the COVID-19 pandemic, the Institution had difficulty in the procurement of these items due to lack of availability. These PPE and supplies purchased included patient beds, ventilators, respiratory supplies, feeding pumps, surgical scrubs and gowns, face coverings, surgical masks, N95 masks, nitrile gloves, face shields, hand sanitizer, disinfectant wipes, plexiglass shielding, foot decals, and other items necessary to protect the health and safety of the patients and hospital employees.

The Institution has applied for support for expenses associated with COVID-19 through FEMA grants as well as the Employee Retention Tax Credits. The Institution awaits approval for both.

PATIENT SERVICE REVENUE, PAYOR MIX AND REIMBURSEMENT METHODOLOGIES

The following is a summary of net patient service revenue for the Institution for each of the fiscal years ended December 31, 2019, 2020 and 2021.

NET PATIENT SERVICE REVENUE	2021	2020	2019
Inpatient	$ 227,808,284	$ 208,913,598	$ 207,678,176
Outpatient	104,435,611	83,929,662	106,320,359
Professional Practice Revenue	30,332,160	23,788,831	24,035,597
Less: Provision for Bad Debts	(13,221,607)	(16,135,690)	(18,682,351)
Total	**$ 349,354,448**	**$ 300,496,401**	**$ 319,351,781**

Payor Mix

The composition of net patient service revenue from payors for the Institution for each of the fiscal years ended December 31, 2019, 2020 and 2021 was:

PAYOR MIX	2021	2020	2019
Managed Care	64%	64%	61%
Self-pay	2%	2%	5%
Medicare and Medicaid	25%	27%	24%
Other	2%	2%	3%
Blue Cross	7%	5%	7%
	100%	100%	100%

The majority of the Institution's revenue is generated through agreements with third-party payors that provide for reimbursement at amounts different from its established charges. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. There is at least a reasonable possibility that recorded revenue estimates could change as a result of regulatory review. Contractual adjustments under third-party reimbursement programs represent the difference between the Institution's billings at established charges for services and amounts reimbursed by third-party payors.

Reimbursement Methodologies

Cost report audits have been completed through December 31, 2017 for Medicaid and Medicare. Only fiscal years 2020 and 2021 are still subject to audit. Fiscal year 2021 cost reports were timely filed.

The Institution has agreements with third-party payors that provide for payments to the Institution at amounts different from its established rates. A significant portion of the Institution's net patient service revenues is derived from these third-party payor programs. A summary of the principal payment arrangements with major third-party payors follows:

- **Medicare reimbursement:** Inpatient acute care and rehabilitation services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other

factors. Reimbursements for certain cost reimbursable items are received at tentative interim rates, with final settlement determined after submission of annual cost reports and audits thereof by the Medicare fiscal intermediary. The classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization.

- **Non-Medicare reimbursement:** The New York Health Care Reform Act of 1996 ("HCRA"), as periodically updated, governs non-Medicare payments to hospitals in New York State. HCRA is subject to periodic renewal; modifications resulting from the State's budgetary approval process are being developed. Under HCRA, hospitals and all non-Medicare payors, except Medicaid, workers' compensation, and no-fault insurance programs, negotiate hospitals' payment rates. If negotiated rates are not established, payors are billed at hospitals' established charges. Medicaid, workers' compensation, and no-fault payors pay hospital rates promulgated by the New York State Department of Health on a prospective basis. Medicaid rate methodologies are subject to approval at the federal level by the Centers for Medicare and Medicaid Services ("CMS"), which may routinely request information about such methodologies prior to approval. Revenue related to specific rate components that have not been approved by CMS are not recognized until the Institution is reasonably assured that such amounts are realizable. Adjustments to the current and prior years' rates will continue to be made in future years.

The Institution has established estimates, based on information presently available, of amounts due to or from Medicare and non-Medicare payors for adjustments to current and prior years' payment rates, based on industry-wide and hospital-specific data. Medicare and Medicaid regulations require annual retroactive settlements for payments through cost reports filed by the Institution. The estimated settlements recorded at December 31, 2021 and 2020 could differ from actual settlements based on the results of cost report audits or other reviews. Cost reports for Medicare and Medicaid after December 31, 2021 remain subject to audit. During 2021 and 2020, the Institution revised estimates made in prior years to reflect the passage of time and the availability of more recent information associated with the related payment items. Net patient service revenue includes favorable adjustments of $2,238,763 in 2021 and $1,885,000 in 2020 which are related to settlements of prior year cost reports and other third-party payor adjustments.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Consequences for noncompliance can include fines, penalties, and exclusion from the Medicare and Medicaid programs. The Institution is not aware of any pending or threatened investigations involving allegations of potential wrongdoing which could have a material adverse effect on the accompanying consolidated financial statements.

There are various proposals at the federal and state levels that could, among other things, significantly reduce payment rates or modify payment methods. The ultimate outcome of these proposals and other market changes cannot be determined presently. Future changes in the Medicare and Medicaid programs and any reduction of funding could have an adverse impact on the Institution.

- **State Subsidy Funds.** The New York State Public Goods Pools Fund ("Pools Fund") was established for various purposes, including the distribution of charity care payments to hospitals statewide. The Pools Fund also provides funds for other uncompensated care for hospitals whose actual costs for healthcare services are significantly greater than the rates paid by the Medicaid program for those services. The Institution received approximately $15,800,000 and $5,739,000 in 2021 and 2020, respectively, from the Pools Fund, which is included in net patient service revenue in the consolidated statement of operations. The amount paid into the Pools Fund by the Institution was approximately $2,080,000 and $2,067,000 in 2021 and 2020, respectively.

- **Delivery System Reform Inventive Program.** Designed by New York State (the "State") to seek a federal waiver for the expenditure of Medicaid funds, the Delivery System Reform Incentive Program ("DSRIP") will allocate $6.42 billion to health care providers in New York State to undertake system reform, clinical projects and population health management. Providers identified as safety net providers based on the percentage of Medicaid, uninsured and dual eligible patients they serve are eligible to receive funds under DSRIP. In order to participate in DSRIP, providers are required to

form collaborations called Performing Provider Systems to execute DSRIP projects. The Institution collaborated with SIUH, to establish the Staten Island Performing Provider System ("SIPPS") in 2015. SIPPS is a limited liability company established under the laws of the State. SIPPS is exempt from federal income tax under Section 501(c)(3) of the code. The Institution and SIUH are both members of SIPPS.

The Institution recognized revenues of approximately $-0- and $5,424,000 in 2021 and 2020, respectively, related to the DSRIP Program, which is included in other revenues in the consolidated statements of operations.

- **Direct Payment Template Program.** Effective December 1, 2021, the State is implementing enhanced payments for selected services provided by financially distressed hospitals to Medicaid enrollees through a Direct Payment Template application ("DPT"). The enhanced payments (Medicaid Managed Care rate add-on payments) for select services are constructed to allow qualifying financially distressed hospitals to receive sufficient reimbursement to enable their continued ability to serve Medicaid and low-income patient populations and to continue their process of transformation to meet Medicaid managed care needs. The Institution qualifies for these payments.

  In February 2022, CMS approved the State's fiscal 2022 DPT application. This approval authorizes the Medicaid Managed Care rate add-on for the retroactive period December 1, 2021 through March 31, 2022, for the covered services under the program. The State must reapply each fiscal year for approval of the DPT. As of the date of the Institution's fiscal year 2021 financial statements, the State had not received CMS approval of its fiscal 2023 (April 1, 2022 to March 31, 2023) DPT application.

  In April and May 2022, the Institution received advances for approximately 80% of the fiscal 2022 retroactive payment in the amount of approximately $21 million, which is subject to final settlement that is expected to occur in the summer of 2022.

[*Remainder of this page intentionally left blank*.]

APPENDIX A

Grants and Other Revenue for Project

The Institution is the recipient of funds under several federal, state, and local grant programs to render services. Below is a listing of the grants related to the Project.

Series 2018A, 2018B, 2022C
Listing of Grants - Client Specific

		Received as of 6/30/22		Expected Spread	
Emergency Department	**Awarded**	**2018-2021**	**2022**	**2022**	**2023**
NYC EDC	23,972,363	11,060,292	8,845,476	4,066,595	-
CRFP Capital	7,150,000	2,139,570	-	4,295,430	715,000
TAD	1,000,000	-	-	1,000,000	-
Total Emergency Department	**32,122,363**	**13,199,862**	**8,845,476**	**9,362,025**	**715,000**
Co-Generation					
NYC EDC	10,451,637	7,606,546	1,856,849	988,242	-
NYSERDA Co-Gen	2,600,000	300,000	-	1,150,000	1,150,000
Total Co-Generation	**13,051,637**	**7,906,546**	**1,856,849**	**2,138,242**	**1,150,000**
Operating Room					
NYC EDC	16,889,000	-	-	12,666,750	4,222,250
Total Operating Room	**16,889,000**	**-**	**-**	**12,666,750**	**4,222,250**
Total Grant Funding	**62,063,000**	**21,106,408**	**10,702,325**	**24,167,017**	**6,087,250**

The Institution was awarded funds from the New York State Department of Health and Mental Hygiene as part of the Vital Access Provider/Safety Net ("VAP") program. Funds from the VAP program are made available to ensure patient access to a health care provider's services otherwise jeopardized by the provider's payor mix or geographic isolation. During 2016, the Institution began the process whereby SIMH would merge with the Institution. A joint VAP application was awarded to the Institution and SIMH to assist with all merger related costs and to support other initiatives that will expand access and strengthen infrastructure and financial viability of SIMH. Effective January 1, 2019, SIMH merged with the Institution. The Hospital recognized revenues of approximately $3,008,000 and $10,042,000 in 2021 and 2020 respectively, from the VAP program, primarily to provide the Hospital with funding to ensure greater patient access to care. The revenues are included in other revenues in the consolidated statements of operations.

LICENSURE

The Institution received an operating certificate from the New York State Department of Health in 2015. The Operating Certificate is shared by the Institution, Ambulatory Care Pavilion, Reg Imaging and Therapeutic Rad Services, RUMC Behavioral Health Pavilion and Susan E. Wagner High School.

HEALTHCARE REGULATORY ENVIRONMENT

The healthcare industry is subject to extensive governmental regulation through numerous and complex laws, rules, regulations, and orders, some of which are ambiguous and subject to varying interpretation. The federal government and many states, including the State of New York, have aggressively increased enforcement of such laws that are often referred to as Medicare and Medicaid "antifraud and abuse" rules. For many years, the Institution has maintained a corporate compliance program to monitor the organization's compliance with applicable rules, including the "antifraud and abuse" rules. Noncompliance with such rules could result in repayments of amounts improperly reimbursed, substantial monetary fines, civil and criminal penalties, and exclusion from Medicare and Medicaid programs.

[*Remainder of this page intentionally left blank.*]

APPENDIX A

SUMMARY HISTORICAL FINANCIAL INFORMATION OF THE INSTITUTION

The following financial information reflects a summary of the operating results and financial condition for the Institution for each of the fiscal years ended December 31, 2019, 2020 and 2021. The financial information for the fiscal years ended December 31, 2019, 2020 and 2021 has been derived from the audited consolidated financial statements of the Institution for the years ended December 31, 2019, 2020 and 2021 and should be read in conjunction with the audited consolidated financial statements for the Institution and its affiliates for the years ended December 31, 2020 and 2021, including the notes thereto, appearing in Appendix B to this Limited Offering Memorandum. Because Amboy, the Foundation and RQLLC are controlled entities of the Institution, the consolidated financial statements of the Institution include the accounts of Amboy, the Foundation and RQLLC.

Consolidated Balance Sheet

The following table presents the audited consolidated balance sheet of the Institution as of December 31, 2019, 2020 and 2021.

	December 31, 2021	December 31, 2020	December 31, 2019
Current Assets			
Cash and cash equivalents	$24,270,866	$42,291,241	$31,46
Accounts receivable:			
Patients, net of estimated allowance for doubtful accounts	42,554,316	33,653,478	40,806,036
Other	4,590,941	2,547,175	18,204,405
Short-term investments	26,602,497	62,523,315	-
Current portion of assets whose use is limited	14,412,103	13,251,083	6,784,675
Current portion of insurance recoveries receivable	7,677,063	7,064,970	6,137,905
Inventories of drugs and supplies	6,657,095	7,338,621	6,367,985
Prepaid expenses and other current assets	1,373,155	2,216,235	1,868,264
Estimated third-party payor settlements	1,108,294	282,091	633,391
Pledges receivable	-	-	1,073,469
Total current assets	129,246,330	171,218,209	113,342,155
Assets Whose Use is Limited	12,867,000	12,810,033	18,712,140
Property and Equipment, Net	219,089,057	144,957,168	109,032,188
Other Assets, Net	1,932,647	3,655,007	3,348,245
Pledges Receivable, Net	2,314,583	1,725,866	694,690
Insurance Recoveries Receivable	15,844,401	12,566,284	11,614,913
Total assets	**$ 381,294,018**	**$ 346,932,567**	**$256,744,331**

	December 31, 2021	December 31, 2020	December 31,2019
CURRENT LIABILITIES			
Borrowings under revolving loan agreement	-	-	-
Current portion of long-term debt	$3,641,633	$2,011,440	$3,562,519
Accounts payable and accrued expenses	62,778,527	42,947,187	46,434,701
Accounts payable, construction	13,787,361	12,763,049	6,434,811
Current portion of estimated insurance claims	7,677,063	7,064,970	6,137,905
Accrued employee liabilities	25,175,854	24,377,214	16,002,522
Medicare advanced payments	21,129,897	9,077,451	-
Estimated third-party payor settlements	-	-	-
Deferred revenue	4,579,514	28,028,226	3,016,165
Total current liabilities	138,769,849	126,269,537	81,588,623
Long-Term Debt	124,132,212	97,014,743	68,684,813
Estimated Third-Party Payor Settlements	18,723,984	15,103,005	14,996,858
Estimated Insurance Claims Liability	30,708,253	28,259,882	24,551,620
Medicare Advanced Payments	-	24,524,865	0
Accrued Pension Costs	38,290,602	44,529,564	32,540,315
Other Liabilities	754,483	5,347,852	1,420,987
Total liabilities	$ 351,379,383	$ 341,049,448	$ 223,783,216
Net Assets			
Without donor restrictions	(12,899,856)	(6,185,952)	23,728,057
With donor restrictions	42,814,491	12,069,071	9,233,058
Total net assets	29,914,635	5,883,119	32,961,115
Total liabilities and net assets	$ 381,294,018	$ 346,932,567	$ 256,744,331

Consolidated Statements of Operations and Changes in Net Assets

The following table presents the Institution's audited consolidated statements of operations and changes in net assets for the years ended December 31, 2019, 2020 and 2021:

	December 31, 2021	December 31, 2020	December 31, 2019
Revenues, Gains, and Other Support			
Patient service revenues	$ 349,354,448	$300,496,401	$319,351,781
Other revenue	36,338,616	37,838,263	48,367,248
Stimulus Grant Revenue	26,168,957	49,495,356	-
Net assets released from restrictions, used for operations	43,429	40,472	64,767
Total revenues, gains, and other support	411,905,450	387,870,492	367,783,796
Expenses			
Salaries, wages and contracted labor	213,993,698	211,048,307	202,144,590
Purchased services and other	68,999,606	64,289,463	62,676,315
Employee benefits	74,294,620	71,301,293	64,988,865
Medical and surgical supplies and drugs	48,659,140	40,344,266	41,088,433
Insurance	12,399,684	13,056,874	12,408,954
Depreciation and amortization	10,098,563	10,565,506	10,828,656
Interest	1,128,037	187,047	633,991
Total expenses	429,573,528	410,792,756	394,769,804
Operating loss	(17,668,078)	(22,922,264)	(26,986,008)
Other Income (Loss)			
Interest Income	-	524,128	608,251
Inherent contribution in acquisition of Staten Island Mental Health Society	-	-	1,284,862
Net periodic pension credit	(915,714)	(663,229)	(387,666)
Revenues (less than) expenses	(18,583,792)	(23,530,194)	(25,480,561)
Pension Liability Adjustment	9,771,942	(10,129,040)	(8,996,818)
Grant Income, Restricted for Capital	1,426,365	3,633,898	-
Net Assets Released from Restrictions, Used for Property and Equipment	671,581	111,327	-
Change in net deficit without donor restrictions	$(6,713,904)	$(29,914,009)	$(34,477,379)

	December 31, 2021	December 31, 2020	December 31, 2019
Net Assets (Deficit) Without Donor Restrictions	$(18,583,792)	$(23,530,194)	$(25,480,561)
Pension liability adjustment	9,771,942	(10,129,040)	(8,996,818)
Net assets released from restrictions, used for property and equipment	671,581	111,327	-
Grant income, restricted for capital	1,426,365	3,633,898	-
Change in net deficit without donor restrictions	(6,713,904)	(29,914,009)	(34,477,379)
Net Assets with Donor Restrictions			
Restricted grants and contributions	32,886,795	2,987,812	5,171,330
Net assets released from restrictions, used for operations	(43,429)	(40,472)	(64,767)
Net assets released from restrictions, used for property and equipment	(2,097,946)	(111,327)	-
Change in net assets with donor restrictions	30,745,420	2,836,013	5,106,563
Change in net assets	24,031,516	(27,077,996)	(29,370,816)
Net Assets, Beginning	5,883,119	32,961,115	62,331,931
Net Assets, Ending	29,914,635	$5,883,119	$32,961,115

Consolidated Statement of Cash Flows

The following table presents the Consolidated Statement of Cash Flows for the Institution for each of the years ended December 31, 2019, 2020 and 2021. The Consolidated Statement of Cash Flows for the years ended December 31, 2019, 2020 and 2021 was derived from the audited consolidated financial statements of the Institution.

Cash Flows from Operating Activities	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
Change in net assets	$24,031,516	$(27,077,996)	$(29,370,816)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:			
Depreciation and amortization	10,098,563	10,565,506	10,828,656
Pension liability adjustment	(9,771,942)	10,129,040	8,996,818
Inherent contribution in acquisition of Staten Island Mental Health Society	-	-	(1,284,862)
Restricted grants and contributions	(32,886,795)	(2,987,812)	(5,171,330)
Changes in assets and liabilities:			
Accounts receivable	(10,944,604)	16,480,144	4,528,994
Inventories of drugs and supplies	731,526	(1,020,636)	(158,326)
Prepaid expenses and other current assets	843,080	(347,971)	(487,608)
Other assets	1,511,196	(517,926)	(392,209)
Accounts payable and accrued expenses	19,831,340	(3,487,514)	13,195,423
Accrued employee liabilities	798,640	8,374,692	669,627
Estimated third-party settlements	(2,794,776)	6,787,091	(3,688,708)
Estimated insurance claims liability, net of insurance recoveries receivable	(829,746)	2,756,891	2,914,948
Accrued pension costs	3,532,980	1,860,209	693,021
Medicare advanced payments	(12,472,419)	22,351,566	-
Deferred revenue and other liabilities	(28,042,081)	28,938,926	(537,729)
Net cash (used in) provided by operating activities	(30,773,970)	72,804,210	735,899
Cash Flows Used in Investing Activities			
Purchases of property and equipment	(83,054,344)	(40,435,264)	(18,004,205)
Acquisition of cash of Staten Island Mental Health Society	-	-	1,148,429
Purchases of assets whose use is limited and short-term investments, net	35,920,818	(64,139,631)	(4,553,281)
Net cash used in investing activities	(47,133,526)	(104,574,895)	(21,409,057)
Cash Flows from Financing Activities			
Proceeds from issuance of long-term debt	29,811,721	33,225,698	21,136,014
Repayment of long term debt	(1,004,691)	(5,962,667)	(1,830,415)
Medicare advanced proceeds, refund liability	-	11,250,750	-
Restricted grants and contributions	32,298,078	3,030,105	5,428,158
Net cash provided by financing activities	61,105,108	41,543,886	24,733,757
Net (decrease) increase in cash	(16,802,388)	9,773,201	4,060,599
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	62,182,760	52,409,559	48,348,960

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	45,380,372	62,182,760	52,409,559
Supplemental Disclosure of Cash Flow Information			
Interest paid, net of amount capitalized	982,923	51,831	580,547
Supplemental Disclosure of Noncash Investing and Financing Activities			
Capital lease obligation incurred for property and equipment	-	423,896	2,224,801
Accounts payable, construction incurred for property and equipment	13,787,361	12,763,049	6,434,811
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash and Cash Equivalents to Consolidated Balance Sheets			
Cash and Cash Equivalents	24,270,866	42,291,241	31,466,025
Assets whose use is limited	21,109,506	19,891,519	20,943,534
	45,380,372	62,182,760	52,409,559

Management's Discussion of the Institution's Operations

The Institution has hired Kaufman Hall ("KH") to perform an organizational assessment of non-labor costs and suggest cost savings initiatives. KH has not concluded its implementation initiatives as of yet.

Calendar year ended December 31, 2021 compared to the calendar year ended December 31, 2020

Cash and cash equivalents fell by 42.61% from $42,291,241 for calendar year ended 2020 to $24,270,866 for calendar year ended 2021 due to Medicare Advance Recoupments of approximately $12.4 million and repayment of the Federal Insurance Contributions Act deferral loan of approximately $3.5 million. Accounts receivable from patients rose by 26.45% from $33,653,478 for calendar year ended 2020 to $42,554,316 for the calendar year ended 2021 primarily due to an average 25% charge increase. Other receivables increased by 80.24% from $2,547,175 for calendar year ended 2020 to $4,590,941 for calendar year ended 2021 due to an increase of approximately $2 million in the Pools Fund Receivable.

The current portion of assets whose use is limited rose by 8.76% from $13,251,083 for calendar year ended 2020 to $14,412,103 for calendar year ended 2021. This was primarily due to an increase of approximately $1,000,000 in constructions payable. Inventories of drugs and other supplies fell by 9.90% from $7,388,621 for calendar year ended 2020 to $6,657,095 for calendar year ended 2021 due primarily due to a year-end inventory adjustment of approximately $700,000 based on inventory counts.

Prepaid expenses and other current assets fell by 38.04% from $2,216,235 for calendar year ended 2020 to $1,373,155 for calendar year ended 2021 due to the recording of maintenance contracts, insurance, annual subscriptions and licensing fees less monthly write-downs. Estimated third-party payor settlements rose by 292.89% from $282,091 for calendar year ended 2020 to $1,108,294 for calendar year ended 2021 was due to a decrease of approximately $700,000 in Medicare liability.

Total current assets fell by 24.51% from $171,218,209 for calendar year ended 2020 to $129,246,330 for calendar year ended 2021. This was due to a decrease of approximately $18,000,000 in cash, a decrease of approximately $36,000,000 in short-term investments, increase of approximately $9,000,000 million in Patient Accounts Receivable, an increase of approximately $2,000,000 in other receivables, an increase of approximately $1,200,000 in current portion of assets whose use is limited, decrease of approximately $730,000 in inventory, decrease of approximately $840,000 in prepaid expenses, and an increase in estimated third party settlements of approximately $830,000.

Net Property and Equipment rose by 51.14% from $144,957,168 for calendar year ended 2020 to $219,089,057 for calendar year ended 2021. This was primarily due to costs of approximately $31,000,000 for the Emergency Department Project, approximately $13,000,000 for the co-generation project, approximately $8,700,000 for the wind resiliency project, approximately $6,600,000 for the medical intensive care unit project, approximately $2,900,000 for the operating room project, approximately $3,000,000 for the roof replacement project, approximately $3,500,000 for the capitalization of bond interest, approximately $13,600,000 for the purchase of equipment, as well as costs for other construction projects offset by depreciation. Net Other Assets fell by 47.12% from $3,655,007 for calendar year ended 2020 to $1,932,647 for calendar year ended 2021 due to a decrease of approximately $1,200,000 in the supplemental executive retirement plan pension assets, the amortization of goodwill of approximately $187,000, as well as the receipt of an escrow payment of approximately $310,000.

Net Pledges Receivable rose by 34.11% from $1,725,866 for calendar year ended 2020 to $2,314,583 for calendar year ended 2021 due to pledges of approximately $1,800,000 for the new capital campaign. Insurance Recoveries Receivables rose by 26.09% from $12,566,284 for calendar year ended 2020 to $15,844,401 for calendar year ended 2021 due to an increase in estimated insurance recoveries of $3,300,000.

Total Assets rose by 9.90% from $346,932,567 for calendar year ended 2020 to $381,294,018 for calendar year ended 2021 due to a decrease of approximately $18,000,000 in cash, a decrease of approximately $36,000,000 in short-term investments, increase of approximately $9,000,000 in patient accounts receivable, increase of approximately $2,000,000 in other receivables, increase of approximately $1,200,000 in current portion of assets whose use is limited, decrease of approximately $730,000 in inventory, decrease of approximately $840,000 in prepaid expenses, and an increase in estimated third party settlements of approximately $820,000, an increase of approximately $74,000,000 in property, plant and equipment, a decrease of approximately $1,700,000 in other assets, and an increase of approximately $600,000 in pledges receivable, and an increase of approximately $3,900,000 in insurance recoveries receivable.

Calendar year ended December 31, 2020 compared with the calendar year ended December 31, 2019

Cash and cash equivalents rose by 34.40% from $31,466,025 for calendar year ended 2019 to $42,291,241 for calendar year ended 2020 primarily due to the receipt of an Excellus pool payment of approximately $6,300,000 as well as the transfer of approximately $6,000,000 from the Institution's short term investment account. Accounts Receivable from patients fell by 17.53% from $40,806,036 for calendar year ended 2019 to $33,653,478 for calendar year ended 2020 due to decreases in outpatient services, including elective surgeries as well as operating room closures due to COVID-19. Other receivables fell by 86.01% from $18,204,405 for calendar year ended 2019 to $2,547,175 for calendar year ended 2020. This was primarily due to a decrease of approximately $5.5 million in the DSRIP receivable due to a payment received, along with the recordings of reserves of approximately $3.3 million for VAP, St. George and SIMH receivables.

The current portion of assets whose use is limited rose by 95.31% from $6,784,675 for calendar year ended 2019 to $13,251,083 for calendar year ended 2020 due to an increase in constructions payable. Inventories of drugs

and other supplies rose by 16.03% from $6,367,985 for calendar year ended 2019 to $7,388,621 for calendar year ended 2020. This was primarily due to a year-end audit adjustment of approximately $500,000 based on inventory counts as well as an increases due to the purchases of COVID-19 protective equipment and drugs.

Prepaid expenses and other current assets rose by 18.63% from $1,868,264 for calendar year ended 2019 to $2,216,235 for calendar year ended 2020 due to the recording of maintenance contracts, insurance, annual subscriptions and licensing fees less monthly write-downs. Estimated third-party payor settlements fell by 55.46% from $633,391 for calendar year ended 2019 to $282,091 for calendar year ended 2020 due to an increase of approximately $439,000 in the Medicare liability, offset by a decrease of approximately $88,000 in the Medicaid receivable.

Total current assets increased by 51.06% from $113,342,155 for calendar year ended 2019 to $171,218,209 for calendar year ended 2020 due to an increase of approximately $10,800,000 in cash, an increase of approximately $62,000,000 in short-term investments, a decrease of approximately $7,200,000 in patient accounts receivable, a decrease of approximately $15,700,000 in other receivables, an increase of approximately $6,500,000 in assets whose use is limited, an increase of approximately $1,000,000 in inventory, increase of approximately $348,000 in prepaid expenses, a decrease in estimated third party settlements of $351,000, along with a decrease of approximately $1,100,000 in pledges.

Net Property and Equipment rose by 32.95% from $109,032,188 for calendar year ended 2019 to $144,957,168 for calendar year ended 2020. This was due to costs of $13,000,000 for the Emergency Department Project, approximately $9,200,000 for the co-generation project, approximately $2,500,000 for the Wind Resiliency project, approximately $4,600,000 for the capitalization of bond interest, approximately $1,200,000 for the Elevator project, approximately $1,200,000 for the Air Handling project, approximately $1,000,000 for the new Operating Room Project, approximately $5,100,000 for the purchase of equipment, as well as costs for other construction projects, offset by depreciation. Net Other Assets rose by 9.16% from $3,348,245 for calendar year ended 2019 to $3,655,007 for calendar year ended 2020 due to an increase of approximately $515,000 in the Supplemental Executive Retirement Plan assets, offset by the amortization of goodwill of approximately $187,000.

Net Pledges Receivable fell by 2.39% from $1,768,159 for FYE 2019 to $1,725,866 for calendar year ended 2020 due to a decrease of approximately $142,000 in pledges receivable due to new pledges offset by payments received on pledges, offset by a decrease of approximately $104,000 in the pledge allowances. Insurance Recoveries Receivables rose by 8.19% from $11,614,913 for calendar year ended 2019 to $12,566,284 for calendar year ended 2020, due to an increase in estimated insurance recoveries of $951,371.

Total Assets rose by 35.13% from $256,744,331 for calendar year ended 2019 to $346,932,567 for calendar year ended 2020 due to an increase of approximately $10,800,000 in cash, an increase of approximately $62,000,000 in short-term investments, increase of approximately $8,900,000 in patient accounts receivable, a decrease of approximately $15.7 million in other receivables, an increase of approximately $560,000 in assets whose use is limited, an increase of approximately $1,000,000 in inventory, an increase of approximately $348,000 in prepaid expenses, a decrease in estimated third party settlements of approximately $351,000, along with a decrease of approximately $42,000 in pledges, an increase of approximately $36,000,000 in property, plant and equipment, an increase of approximately $307,000 in other assets, and an increase of approximately $951,000 in long term insurance recoveries.

Days Cash on Hand

Set forth below are the Days Cash on Hand ("DCOH") ratios of the Institution for each of the years ended December 31, 2019, 2020 and 2021. The Days Cash on Hand ratios for the years ended December 31, 2019, 2020 and 2021 were derived from the audited consolidated financial statements of the Institution. This summary should be read in conjunction with the audited consolidated financial statements and related notes included in this Limited Offering Memorandum in Appendix B.

	Fiscal Years Ended December 31,		
	2021	**2020**	**2019**
Day count	365	365	365
Cash and cash equivalents	$24,270,866	$42,291,241	$31,466,025
Short Term Investments	$26,602,497	$62,523,315	-
Total Available Reserves	$50,873,363	$104,814,556	$31,466,025
Operating expenses	$429,573,528	$410,792,756	$394,769,804
Less: Depreciation and Amortization	$10,098,563	$10,565,506	$10,828,656
Subtotal	$419,474,965	$400,227,250	$383,941,148
Average daily operating expense	$1,149,246	$1,096,513	$1,051,894
Days cash on hand	**44**	**96**	**30**

*According to "Available Reserves" definition in *Appendix A - Definitions* for FY 2019 – 2021: Beginning in FY 2021, without the Bondholder Representative's prior consent, the Medical Center shall not draw on revolving loans or any other credit facilities in order to satisfy the DCOH requirement.

Outstanding Indebtedness

The following table sets forth the existing outstanding indebtedness of the Institution as of December 31, 2021, 2020 and 2019:

	2021	2020	2019
2018 Bonds payable	$131,950,000	$102,180,000	$72,345,000
Mortgage loans payable	-	-	868,050
Equipment loans	1,789,542	2,442,796	3,308,292
Capital lease obligations, interest at fixed rates from 1.0% to 7.3% due at various dates through May 2025	729,732	1,039,448	1,453,937
Total	134,469,274	105,662,244	77,975,279
Less current portion	(3,641,633)	(2,011,440)	(3,562,519)
Less deferred financing costs	(2,873,052)	(2,979,439)	(3,085,826)
Less original issue discount	(3,822,377)	(3,656,622)	(2,642,121)
Long-term debt	$124,132,212	$97,014,743	$68,684,813

Source: Internal RUMC Data

Debt Service Coverage Ratio

The table below sets forth the Institution's Debt Service Coverage Ratios for the years ended December 31, 2019, 2020 and 2021.

	2021	**2020**	**2019**
Revenues (less than) in excess of expenses	($18,583,792)	($23,530,194)	($25,480,561)
Plus: Depreciation and amortization	$10,098,563	$10,565,506	$10,828,656
Plus: Interest	$1,128,037	$187,047	$633,991
Income available for debt service	($7,357,192)	($12,777,641)	($14,017,914)
Required Payments of Principal and Interest	$3,641,633	$2,011,440	$3,562,519
Debt Service Coverage Ratio	**(2.02)**	**(6.35)**	**(3.93)**

CAPITAL PROJECTS

The Institution has undertaken various capital projects that have been or are being funded with the 2018 Bonds, the 2022 Bonds, equity, donations and grants. The Institution constantly evaluates potential for future capital projects. At the current time, there are no definitive projects for the future. The current capital projects, estimated completion date and approximate cost are set forth below:

Capital Project	Completion Date	Cost
Medical Intensive Care Unit	July, 1, 2022	$15,000,000
Surgical Tower	December 31, 2022	$36,000,000
Elevator	October 1, 2022	$5,000,000
Roof	October 1, 2022	$4,000,000
Cogenerator	September 1, 2022	$33,000,000
Windows	April 1, 2023	$45,000,000

INSURANCE ARRANGEMENTS

Medical Malpractice

The Institution maintains malpractice insurance coverage with a combination of a self-insurance and commercial insurance policies.

Primary coverage: Primary coverage is provided under the terms of an insurance policy with Physicians' Reciprocal Insurers. From January 1, 2007 through December 31, 2012, the coverage was for losses, if any, reported during the period the contracts are in force, "claims made coverage," for claims up to an annual maximum of $2,000,000 per occurrence and $6,000,000 in the aggregate. From January 1, 2013 through December 31, 2015, the coverage was for losses, if any, for claims up to an annual maximum of $1,000,000 per occurrence and $6,000,000 in the aggregate. From January 1, 2016 through December 31, 2016, the coverage was for losses, if any, for claims up to an annual maximum of $1,000,000 per occurrence and $6,000,000 in the aggregate with a $100,000 deductible for each and every indemnity claim. Beginning January 1, 2017, the coverage is for losses, if any, for claims up to an annual maximum of $1,000,000 per occurrence and $6,000,000 in the aggregate. Beginning January 1, 2018, the policy aggregate was increased to $8,000,000 for professional hospital liability. Effective January 1, 2021 primary coverage is provided under the terms of an insurance policy with EmPro Insurance Company formerly Physicians' Reciprocal Insurance.

Self-insured retention: From January 1, 2007 through December 31, 2007, the Institution had a self-insured retention of $5,000,000 per claim above the primary insurance coverage. From January 1, 2008 through December 31, 2008, the Institution had a self-insured retention of $8,000,000 per claim above the primary insurance coverage. From January 1, 2009 through December 31, 2009, the Institution had a self-insured retention of $2,000,000 per occurrence and $4,000,000 aggregate, for obstetric claims only, above the primary insurance coverage. This was applicable on a claims-made basis.

Excess coverage: Effective January 1, 2013, the Institution does not have excess insurance in place.

The Institution's liability for the estimated future payments of its asserted and unasserted medical malpractice claims was approximately $37,193,000 at December 31, 2021 and $34,296,000 at December 31, 2020. The discount rate used in determining these liabilities was 3% at December 31, 2021 and 2020. The Institution has recorded a receivable, and related claim liability, for anticipated insurance recoveries of approximately $22,329,000 at December 31, 2021 and $18,602,000 at December 31, 2020, with a net liability of approximately $14,864,000 and $15,694,000 at December 31, 2021 and 2020, respectively.

General Liability

Primary coverage: Primary coverage is provided under the terms of an insurance policy with Physicians' Reciprocal Insurers. The coverage is for claims up to an annual maximum of $2,000,000 per occurrence and $7,000,000 in the aggregate. Effective January 1, 2021 primary coverage is provided under the terms of an insurance policy with EmPro Insurance Company formerly Physicians' Reciprocal Insurance.

Self-insured retention: From January 1, 2007 through December 31, 2007, the Institution had a self-insured retention of $5,000,000 per claim on an occurrence basis above the primary insurance coverage. From January 1, 2008 through December 31, 2008, the Institution had a self-insured retention of $8,000,000 per claim on an occurrence basis above the primary insurance coverage.

Excess coverage: Effective January 1, 2013, the Institution does not have excess insurance in place.

The Institution's liability for the estimated future payments of its asserted and unasserted general liability claims was approximately $1,192,049 at December 31, 2021 and $1,029,000 at December 31, 2020. The discount rate used in determining these liabilities was 3% at December 31, 2021 and 2020 The Institution has recorded a receivable, and related claim liability, for anticipated insurance recoveries of approximately $1,192,000 at December 31, 2021 and $1,029,000 at December 31, 2020.

The estimates for professional liabilities under the Institution's insurance program are based upon extremely complex actuarial calculations which utilize factors such as historical claim experience for the Institution and related industry factors, trending models, estimates for the payment patterns of future claims, and present value discounting factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known.

During 2013, in connection with the self-insurance retention, the Board approved a separate trust be established related to payments of the self-insurance program's covered liability losses and related expenses.

The Institution believes that it has adequate insurance coverages for all asserted claims and has no knowledge of unasserted claims which would exceed insurance coverages.

LITIGATION MATTERS

Professional and general liability claims have been asserted against the Institution, by various claimants. These claims are in various stages of processing and some may ultimately be brought to trial. The outcome of these actions cannot be predicted with certainty by Management of the Institution or by counsel to the Institution or by the respective insurance companies handling such matters. There are known incidents that may result in the assertion of additional claims, and such other claims may arise. It is the opinion of the management of the Institution based on prior experiences, that adequate reserves, as well as professional and comprehensive general liability insurance coverage, which supplement reserves, is maintained to provide for all significant liability losses which may arise, and that the eventual liability from claims will not have a material adverse effect on the financial position of the Institution or on its ability to make required debt service payments on the Series 2022 Bonds and its other indebtedness. There is no litigation or proceedings now existing, and to the knowledge of the Institution, none have been threatened against the Institution, which would materially adversely affect its operations or financial condition or on its ability to perform its obligations with respect to the Series 2022 Bonds.

bakertilly

APPENDIX B

Richmond University Medical Center

Consolidated Financial Statements
and Supplementary Information

December 31, 2021 and 2020

Richmond University Medical Center

Table of Contents
December 31, 2021 and 2020

	Page
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Net Assets	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7
Supplementary Information	
Consolidating Balance Sheet Schedule - December 31, 2021	32
Consolidating Schedule of Operations - Year Ended December 31, 2021	34
Consolidating Schedule of Changes in Net Assets - Year Ended December 31, 2021	35
Consolidating Balance Sheet Schedule - December 31, 2020	36
Consolidating Schedule of Operations - Year Ended December 31, 2020	38
Consolidating Schedule of Changes in Net Assets - Year Ended December 31, 2020	39

Independent Auditors' Report

To the Board of Trustees of
Richmond University Medical Center

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Richmond University Medical Center (the Organization), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations, changes in net assets and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2021 and 2020, and the results of its operations, changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Baker Tilly US, LLP, trading as Baker Tilly, is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2022 Baker Tilly US, LLP

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 32 through 39 is presented for purposes of additional analysis rather than to present the financial position and results of operations and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Baker Tilly US, LLP

New York, New York
May 26, 2022

Richmond University Medical Center

Consolidated Balance Sheets
December 31, 2021 and 2020

Assets	2021	2020
Current Assets		
Cash and cash equivalents	$ 24,270,866	$ 42,291,241
Accounts receivable:		
Patients	42,554,316	33,653,478
Other	4,590,941	2,547,175
Short-term investments	26,602,497	62,523,315
Current portion of assets whose use is limited	14,412,103	13,251,083
Current portion of insurance recoveries receivable	7,677,063	7,064,970
Inventories of drugs and supplies	6,657,095	7,388,621
Prepaid expenses and other current assets	1,373,155	2,216,235
Estimated third party payor settlements	1,108,294	282,091
Total current assets	129,246,330	171,218,209
Assets Whose Use is Limited	12,867,000	12,810,033
Property and Equipment, Net	219,089,057	144,957,168
Other Assets, Net	1,932,647	3,655,007
Pledges Receivable, Net	2,314,583	1,725,866
Insurance Recoveries Receivable	15,844,401	12,566,284
Total assets	$ 381,294,018	$ 346,932,567

Liabilities and Net Assets	2021	2020
Current Liabilities		
Current portion of long-term debt	$ 3,641,633	$ 2,011,440
Accounts payable and accrued expenses	62,778,527	42,947,187
Accounts payable, construction	13,787,361	12,763,049
Current portion of estimated insurance claims liability	7,677,063	7,064,970
Accrued employee liabilities	25,175,854	24,377,214
Medicare advanced payments	21,129,897	9,077,451
Deferred revenue	4,579,514	28,028,226
Total current liabilities	138,769,849	126,269,537
Long-Term Debt	124,132,212	97,014,743
Estimated Third Party Payor Settlements	18,723,984	15,103,005
Estimated Insurance Claims Liability	30,708,253	28,259,882
Medicare Advanced Payments	-	24,524,865
Accrued Pension Costs	38,290,602	44,529,564
Other Liabilities	754,483	5,347,852
Total liabilities	351,379,383	341,049,448
Net Assets (Deficit)		
Without donor restrictions	(12,899,856)	(6,185,952)
With donor restrictions	42,814,491	12,069,071
Total net assets	29,914,635	5,883,119
Total liabilities and net assets	$ 381,294,018	$ 346,932,567

See notes to consolidated financial statements

Richmond University Medical Center

Consolidated Statements of Operations
Years Ended December 31, 2021 and 2020

	2021	2020
Revenues, Gains and Other Support		
Patient service revenues	$ 349,354,448	$ 300,496,401
Other revenues	36,338,616	37,838,263
Stimulus grant revenue	26,168,957	49,495,356
Net assets released from restrictions, used for operations	43,429	40,472
Total revenues, gains and other support	411,905,450	387,870,492
Expenses		
Salaries, wages and contracted labor	213,993,698	211,048,307
Purchased services and other	68,999,606	64,289,463
Employee benefits	74,294,620	71,301,293
Medical and surgical supplies and drugs	48,659,140	40,344,266
Insurance	12,399,864	13,056,874
Depreciation and amortization	10,098,563	10,565,506
Interest	1,128,037	187,047
Total expenses	429,573,528	410,792,756
Operating loss	(17,668,078)	(22,922,264)
Other Income (Loss)		
Interest income	-	524,128
Net periodic pension credit	(915,714)	(1,132,058)
Revenues less than expenses	(18,583,792)	(23,530,194)
Pension Liability Adjustment	9,771,942	(10,129,040)
Grant Income, Restricted for Capital	1,426,365	3,633,898
Net Assets Released From Restrictions, Used for Property and Equipment	671,581	111,327
Change in net deficit without donor restrictions	$ (6,713,904)	$ (29,914,009)

See notes to consolidated financial statements

Richmond University Medical Center

Consolidated Statements of Changes in Net Assets
Years Ended December 31, 2021 and 2020

	2021	2020
Net Deficit Without Donor Restrictions		
Revenues less than expenses	$ (18,583,792)	$ (23,530,194)
Pension liability adjustment	9,771,942	(10,129,040)
Grant income, restricted for capital	1,426,365	3,633,898
Net assets released from restrictions, used for property and equipment	671,581	111,327
Change in net deficit without donor restrictions	(6,713,904)	(29,914,009)
Net Assets With Donor Restrictions		
Restricted grants and contributions	32,886,795	2,987,812
Net assets released from restrictions, used for operations	(43,429)	(40,472)
Net assets released from restrictions, used for property and equipment	(2,097,946)	(111,327)
Change in net assets with donor restrictions	30,745,420	2,836,013
Change in net assets	24,031,516	(27,077,996)
Net Assets, Beginning	5,883,119	32,961,115
Net Assets, Ending	$ 29,914,635	$ 5,883,119

See notes to consolidated financial statements

Richmond University Medical Center

Consolidated Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows From Operating Activities		
Change in net assets	$ 24,031,516	$ (27,077,996)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	10,098,563	10,565,506
Pension liability adjustment	(9,771,942)	10,129,040
Restricted grants and contributions	(32,886,795)	(2,987,812)
Changes in assets and liabilities:		
Accounts receivable	(10,944,604)	16,480,144
Inventories of drugs and supplies	731,526	(1,020,636)
Prepaid expenses and other current assets	843,080	(347,971)
Other assets	1,511,196	(517,926)
Accounts payable and accrued expenses	19,831,340	(3,487,514)
Accrued employee liabilities	798,640	8,374,692
Estimated third party payor settlements	2,794,776	6,787,091
Estimated insurance claims liability, net of insurance recoveries receivable	(829,746)	2,756,891
Accrued pension costs	3,532,980	1,860,209
Medicare advanced payments	(12,472,419)	22,351,566
Deferred revenue and other liabilities	(28,042,081)	28,938,926
Net cash (used in) provided by operating activities	(30,773,970)	72,804,210
Cash Flows From Investing Activities		
Purchases of property and equipment	(83,054,344)	(40,435,264)
Sales (purchases) of assets whose use is limited and short-term investments, net	35,920,818	(64,139,631)
Net cash used in investing activities	(47,133,526)	(104,574,895)
Cash Flows From Financing Activities		
Proceeds from issuance of long-term debt, net of original issue discount	29,811,721	33,225,698
Repayment of long-term debt	(1,004,691)	(5,962,667)
Medicare advanced proceeds, refund liability	-	11,250,750
Restricted grants and contributions	32,298,078	3,030,105
Net cash provided by financing activities	61,105,108	41,543,886
Net (decrease) increase in cash, cash equivalents and restricted cash and cash equivalents	(16,802,388)	9,773,201
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Beginning	62,182,760	52,409,559
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, Ending	$ 45,380,372	$ 62,182,760
Supplemental Disclosure of Cash Flow Information		
Interest paid, net of amount capitalized	$ 982,923	$ 51,831
Supplemental Disclosure of Noncash Investing and Financing Activities		
Capital lease obligation incurred for property and equipment	$ -	$ 423,896
Accounts payable, construction incurred for property and equipment	$ 13,787,361	$ 12,763,049
Reconciliation of Cash, Cash Equivalents and Restricted Cash and Cash Equivalents to Consolidated Balance Sheets		
Cash and cash equivalents	$ 24,270,866	$ 42,291,241
Assets whose use is limited	21,109,506	19,891,519
	$ 45,380,372	$ 62,182,760

See notes to consolidated financial statements

1. Nature of Operations

Richmond Medical Center, d/b/a Richmond University Medical Center (Richmond) began operations on January 1, 2007 as a wholly owned subsidiary of Bridge Regional Health System. Richmond's operations consist primarily of an acute care hospital with 448 licensed beds and services provided include Level I trauma and various other inpatient and outpatient surgical and medical services.

In 2008, Richmond was instrumental in the development and creation of a professional services corporation known as Amboy Medical Practice, P.C. (Amboy), which has as its primary purpose to engage in the profession of medicine. Amboy began operations on October 1, 2008 at a location on the South Shore of Staten Island and has since expanded to other locations.

Richmond Medical Center Foundation, Inc. (the Foundation) is a tax-exempt organization, established to raise funds for Richmond.

Richmond Quality, LLC (RQ LLC) is an Accountable Care Organization. RQ LLC's mission is to establish a group of coordinated healthcare providers which agree to be accountable for the quality, cost and overall care for an assigned group of Medicare beneficiaries.

On January 1, 2019, the Richmond acquired certain assets and assumed certain liabilities of Staten Island Mental Health Society, Inc. (SIMH), a not-for-profit organization that provides comprehensive mental health, early childhood and related services to Staten Island children and their families. This transaction was completed to continue to expand the service area of Richmond, and SIMH accounts are included within Richmond.

Since Amboy, the Foundation, SIMH and RQ LLC are controlled entities of Richmond, the consolidated financial statements of Richmond include the accounts of Amboy, the Foundation, SIMH and RQ LLC (collectively, the Medical Center).

In January 2022, Richmond acquired certain assets and assumed certain liabilities of Visiting Nurse Association of Staten Island, Inc. and Subsidiaries (VNA), a not-for-profit organization that is a certified home health agency. This transaction was completed to continue to expand the service area of Richmond, and VNA accounts will be included within Richmond in 2022.

2. Summary of Significant Accounting Policies

Basis of Reporting

The consolidated financial statements include the accounts of Richmond, Amboy, the Foundation, SIMH and RQ LLC. All significant intercompany balances and transactions have been eliminated in the consolidated financial statements.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents and Restricted Cash and Cash Equivalents

Cash, cash equivalents and restricted cash and cash equivalents include investments in highly liquid debt instruments purchased with original maturities of three months or less, including approximately $3,500,000 and $2,000,000 at December 31, 2021 and 2020, respectively, of cash that has been approved by the Board of Trustees (the Board) to fund a separate trust which would be used for payments of the Medical Center's professional and general liability losses and related expenses (see Note 8). Included in cash and cash equivalents at December 31, 2021 is approximately $4.2 million in restricted grants and restricted contributions.

Accounts Receivable, Patients

Patient accounts receivable are recorded at net realizable value at the transaction price based on standard charges for services provided, reduced by contractual adjustments provided to third party payors, discounts provided to uninsured or underinsured patients in accordance with the Medical Center's policies, and/or implicit price concessions provided to uninsured or underinsured patients, and do not bear interest. Subsequent changes to the estimate of the transaction price (determined on a portfolio basis when applicable) are generally recorded as adjustments to patient revenues in the period of the change. Accounts are written off through the provision for bad debts when the Medical Center has exhausted all collection efforts and determines accounts are impaired based on changes in patient credit worthiness.

Inventories of Drugs and Supplies

The Medical Center measures inventories of drugs and supplies, including medical and surgical supplies at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonable predictable costs of completion, disposal and transportation.

Assets Whose Use is Limited

Assets whose use is limited include assets held by a trustee under bond indenture agreements and relate to the 2018 Bonds (Note 7). Amounts required to meet current liabilities of the Medical Center have been classified as current assets in the consolidated balance sheets.

Property and Equipment, Net

Property and equipment, net are recorded at cost or, if donated, at the fair market value at the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in operations. Equipment under capital lease obligations is amortized using the straight-line method over the shorter of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the accompanying consolidated statements of operations.

Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. The Medical Center capitalized interest of approximately $3,546,000 and $4,590,000 during 2021 and 2020, respectively.

Gifts of long-lived assets are reported in operations unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Impairment

Property and equipment are evaluated for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable based on expected undiscounted cash flows. If the assets are deemed impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds fair value. There was no impairment loss recorded for the years ended December 31, 2021 and 2020.

Deferred Financing Costs

Deferred financing costs are reported on the consolidated balance sheets as a direct reduction to long-term debt and are being amortized using the straight-line method over the remaining term of the related indebtedness, which approximates the effective interest method. Amortization was $106,387 in both 2021 and 2020 and was capitalized to construction in progress.

Other Assets

In August 2017, the Medical Center acquired the assets of Staten Island Radiation Therapy (SIRTH). The purchase price of SIRTH was $4,500,000, and the fair value of the assets acquired was $2,928,000. In connection with the acquisition, goodwill of $1,572,000 was recorded, which is included in other assets in the consolidated balance sheets. Goodwill represents the excess of the purchase consideration over the fair value of net assets acquired in a business combination. The Medical Center has elected to amortize goodwill in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 350, *Intangibles - Goodwill and Other: Accounting for Goodwill (A Consensus of the Private Company Council)*.

In accordance with ASC 350, goodwill is amortized on a straight-line basis over ten years or less than ten years if the Medical Center can demonstrate that another useful life is more appropriate. The Medical Center elected to amortize goodwill for a period of ten years. Amortization expense was $157,200 in 2021 and 2020. Changes in future market conditions, the Medical Center's business strategy or other factors could impact the future fair value of goodwill, which could result in future impairment charges.

Pledges Receivable, Net

Pledges receivable, net are primarily unsecured and are receivable from individuals and businesses. Pledges receivable and revenues are recorded at the present value of estimated cash flows on the date the unconditional promise to give is made. The discounts on those amounts are computed using assumptions made by management regarding the market return and ultimate collectability of the receivables. Pledges are written off when they are determined to be uncollectible based upon management's assessment of individual accounts.

Medicare Advanced Payments

The Coronavirus Aid, Relief and Economic Security (CARES) Act signed into law in March 2020 to combat the financial effects of COVID-19 included provisions to expand the Centers for Medicare and Medicaid Services (CMS) Accelerated and Advance Payment Program in order to improve cash flows for providers impacted by the COVID-19 pandemic. In 2020, the Medical Center received $33,602,316 in advance payments under this program. Repayment of the advances to the government began in April 2021, one year after the receipt of the advance payments, and will end 17 months later (29 months from the initial payment), at which time the advances are required to be repaid in full or any remaining outstanding amounts will be subject to interest at 4%. The repayments are expected to occur automatically through a partial reduction in Medicare payments due to the Medical Center for services rendered to Medicare program beneficiaries. The current portion of the contract liability is $21,129,897 and represents the amount the Medical Center believes will be repaid in 2022 based on an estimate of Medicare claims using historical information.

Deferred Payroll Taxes

Section 2302 of the CARES Act allows the Medical Center to delay the payment of the employer portion of Social Security taxes that would be otherwise due from March 27, 2020, the date that the Act was signed into law, through December 31, 2020, without penalty or interest charges. The Medical Center will be required to pay the liability resulting from this deferral back in two 50% increments due on December 31, 2021 and 2022, respectively. As of December 31, 2021, the Medical Center recorded $4,060,270 in accrued employee liabilities related to Section 2302 of the CARES Act. As of December, 2020, the Medical Center recorded $3,758,440 in accrued employee liabilities and $3,758,440 in other liabilities related to Section 2302 of the CARES Act.

Other Revenues

The Medical Center is the recipient of funds under several federal, state and local grant programs to render services. These funds are generally designated to cover current operating costs and/or capital acquisitions for specific programs. Grants to cover operating costs are recognized as revenues as expenditures are incurred.

The Medical Center was awarded funds from the Department of Health (DOH) as part of the Vital Access Provider/Safety Net (VAP) program. Funds from the VAP program are made available to ensure patient access to a health care provider's services otherwise jeopardized by the provider's payor mix or geographic isolation.

The Medical Center recognized revenues of approximately $3,008,000 and $10,042,000 in 2021 and 2020, respectively, from the VAP program, primarily to provide the Medical Center with funding to ensure greater patient access to care. The revenues are included in other revenues in the consolidated statements of operations.

Stimulus Grant Revenue

Stimulus grant revenue in 2020 and 2021 comprises amounts received from federal and state funding sources related to the COVID-19 pandemic. The Medical Center accounts for this funding in accordance with the FASB ASC 958-605 guidance for conditional contributions and, accordingly, revenues are measured and recognized when barriers are substantially met, which occurs when the Medical Center complies with the terms and conditions related to the purpose of the grant rather than those that are administrative in nature.

The CARES Act created a Provider Relief Fund (PRF) to provide financial support for hospitals and other healthcare providers. The Medical Center received approximately $1.0 million and $77.8 million in the years ended December 31, 2021 and 2020, respectively, related to this funding. In accordance with the terms and conditions of the PRF, the Medical Center could apply the funding against eligible expenses and lost revenues due to the pandemic that were not reimbursed by other sources. For the year ended December 31, 2020, the Medical Center has incurred lost revenue in accordance with the terms and conditions of the PRF and recognized approximately $49.0 million which were included in stimulus grant revenue in the accompanying consolidated statement of operations and recorded deferred revenue of approximately $25.0 million related to PRF receipts that were not yet earned as of December 31, 2020. In 2020, the Medical Center also purchased capital assets totaling approximately $3.4 million from the Provider Relief Fund during 2020. The Medical Center also received approximately $0.3 million in state funding in 2020 which it applied towards purchases of capital assets. For the year ended December 31, 2021, the Medical Center has incurred lost revenues in accordance with the terms and conditions of the PRF and recognized approximately $26.0 million of PRF distributions, which were included in stimulus grant revenue in the accompanying consolidated statement of operations. There were no PRF deferred revenue as of December 31, 2021.

The Medical Center's methodology for calculating lost revenues was calculated using the alternative method. Management did not deem it reasonable to use the difference between 2019 actual patient care revenues as compared to actual patient care revenues in 2020 and 2021 due to an extraordinary event in 2019 that forced the closure of surgical services and put the emergency room on surgical diversion for five months. The 2020 and 2021 budgets utilized when calculating lost revenues were amended to properly reflect what the baseline patient care revenues would have been without this event.

Substantially all of the funding received is subject to future reporting and audit requirements. Noncompliance with the terms and conditions of the funding sources could result in repayment of some or all of the support, which can be subject to government review and interpretation. An estimate of the possible effects of these matters cannot be made as of the date these consolidated financial statements were issued.

Measure of Operations

The Medical Center's operating loss includes all operating revenues and expenses that are an integral part of its program and supporting activities. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be more unusual and nonrecurring in nature.

Revenues Less Than Expenses

The consolidated statements of operations include the determination of revenues less than expenses. Changes in net assets without donor restrictions which are excluded from the determination of revenues less than expenses, consistent with industry practice, include contributions of long-lived assets (including assets acquired using contributions which by donor restrictions were to be used for the purposes of acquiring such assets) and pension liability adjustments.

Net Patient Service Revenues

Net patient service revenues are recognized at the amount that reflects the consideration to which the Medical Center expects to be entitled in exchange for providing patient care. These amounts are due from patients, third party payors (including commercial and governmental programs) and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews and investigations. Generally, the Medical Center bills the patients and third party payors several days after the services are performed and/or the patient is discharged from the facility. Revenues are recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Medical Center. Revenues for performance obligations satisfied over time are recognized based on actual charges incurred in relation to total expected (or actual) charges. The Medical Center believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving inpatient acute care services. The Medical Center measures the performance obligation from admission into the hospital, or the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of discharge or completion of the outpatient services. Revenues for performance obligations satisfied at a point-in-time are generally recognized when goods or services are provided and the Medical Center does not believe it is required to provide additional services to the patient.

All of the Medical Center's performance obligations relate to contracts with a duration of less than one year, therefore the Medical Center has elected to apply the optional exemptions provided in FASB ASC 606-10-50-14(a) and as a result is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to inpatient acute care services at the end of the reporting period. The performance obligations for these contracts are generally completed when the patients are discharged, which generally occurs within days or weeks of the end of the reporting period.

The Medical Center determines the transaction price based on standard charges for services provided, reduced by contractual adjustments provided to third party payors, discounts provided to uninsured or underinsured patients in accordance with the Medical Center's policies and/or implicit price concessions provided to uninsured or underinsured patients. The Medical Center determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience. The Medical Center determines its estimates of implicit price concessions based on its historical collection experience with a respective class of patient.

The Medical Center has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third party payors for the effects of a significant financing component due to the Medical Center's expectation that the period between the time the service is provided to a patient and the time that the patient or a third party payor pays for that service will be one year or less. The Medical Center does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year, however, in these cases the financing component is not deemed to be significant to the contract.

Charity Care

The Medical Center provides charity care to patients who meet certain criteria without charge or at amounts less than its established rates. The Medical Center provides free care or sliding fee scales based on federal poverty income guidelines or when it is determined that the patients are unable to fulfill their obligations to the Medical Center. Because the Medical Center does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenues.

Donor Restricted Gifts and Classification of Net Assets

Unconditional promises to give cash and other assets to the Medical Center are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received and conditions are met. The gifts are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets.

Net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. All revenues not restricted by donors and donor restricted contributions whose restrictions are met in the same period in which they are received are accounted for in net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. All revenues restricted by donors as to either timing or purpose of the related expenditures or required to be maintained in perpetuity as a source of investment income are accounted for in net assets with donor restrictions. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Substantially all of the Medical Center's net assets with donor restrictions related to capital improvement projects in 2021 and 2020.

Income Taxes

Richmond, Amboy, SIMH and the Foundation are not-for-profit corporations as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and are exempt from federal income taxes on their exempt income under Section 501(a) of the IRC.

RQ LLC is treated as a partnership for federal and state income tax purposes. Therefore, income earned is passed through to the sole member, and as such, no income taxes have been incurred or accrued.

Estimated Insurance Claims Liability

The provision for estimated insurance claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported, including costs associated with litigating or settling claims. Anticipated insurance recoveries associated with reported claims are reported separately in the Medical Center's consolidated balance sheets at net realizable value.

Estimated Workers' Compensation Costs

The Medical Center was insured for workers' compensation costs through a commercial carrier through December 31, 2017. On December 1, 2018, the Medical Center became self-insured for workers' compensation costs. The Medical Center has a $250,000 deductible for each claim, with aggregate coverage of $4,370,000 and $4,920,000 in 2021 and 2020, respectively. The provisions for estimated workers' compensation claims of $4,741,632 and $5,031,840 at December 31, 2021 and 2020, respectively, include estimates of the ultimate costs for both reported claims and claims incurred but not reported and are included in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

Reclassifications

Certain items in the 2020 consolidated financial statements have been reclassified to conform with the 2021 consolidated financial statement presentation.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*. ASU No. 2016-02 was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. Under the provisions of ASU No. 2016-02, a lessee is required to recognize a right-to-use asset and lease liability, initially measured at the present value of the lease payments, in the balance sheet. In addition, lessees are required to provide qualitative and quantitative disclosures that enable users to understand more about the nature of the Medical Center's leasing activities. The Medical Center will be required to retrospectively adopt the guidance in ASU No. 2016-02 for its year ending December 31, 2022. The Medical Center has not yet determined the impact that ASU No. 2016-02 will have on its consolidated financial statements.

3. Charity Care

The Medical Center provides care to patients who meet certain criteria defined by the New York Department of Health and Senior Services (DHSS) without charge or at amounts less than established rates. The current DHSS charity care guidelines require participation and cooperation of the patient in order to be identified as a charity care account. The Medical Center maintains records to identify and monitor the level of charity care it provides. The costs associated with the charity care services provided are estimated by applying a cost-to-charge ratio to the amount of gross uncompensated charges for the patients receiving charity care. Uncompensated care provided, based on cost, was approximately $26,641,589 in 2021 and $26,377,002 in 2020.

The Medical Center also provides community services, including free and low cost screenings, such as blood pressure, cholesterol and immunization. Free immunization is offered to senior citizens. The Medical Center holds various educational programs concerning such topics as nutrition and childbirth. In addition, the Medical Center provides free space to various community organizations for their meetings.

4. Net Patient Service Revenues

Agreements with third party payors typically provide for payments at amounts less than established charges. A summary of payment arrangements with major third party payors follows:

- **Medicare:** Inpatient acute care, psychiatric and rehabilitation services and outpatient services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic and other factors. In addition, the Medical Center is reimbursed for certain cost reimbursable items at tentative interim rates, with final settlement determined after submission of annual costs reports and audits thereof of the Medicare fiscal intermediary. The Medical Center's Medicare cost reports have been settled through December 31, 2017.

- **Non Medicare Payors:** The New York Health Care Reform Act of 1996 (the Act), as periodically updated, governs payments to hospitals in New York State (NYS). The Act is subject to periodic renewal and is currently effective through March 31, 2023. Under the Act, Medicaid, workers' compensation and no-fault payors pay rates are promulgated by the NYS Department of Health. Fixed payment amounts per inpatient discharge are established based on the patient's assigned case mix intensity, similar to a Medicare DRG. All other third party payors, principally Blue Cross, other private insurance companies, Health Maintenance Organizations (HMOs), Preferred Provider Organizations (PPOs) and other managed care plans, negotiate payment rates directly with the Medical Center. Such arrangements include DRG-based payment systems, per diems, case rates and percentage of billed charges. If such rates are not negotiated, then the payors are billed at the Medical Center's established charges.

Both federal and NYS regulations provide for certain adjustments to current and prior years' payment rates based on industry-wide and hospital-specific data. The Medical Center has established estimates based on information presently available of the amounts due to or from Medicare, Medicaid, workers' compensation and no-fault payors for such adjustments.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various health care organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties and potential exclusion from the related programs.

There can be no assurance that regulatory authorities will not challenge the Medical Center's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Medical Center. In addition, the contracts the Medical Center has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third party payors for retroactive adjustments due to audits, reviews or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence with the payor and the Medical Center's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known. (that is, new information become available), or as years are settled or no longer subject to such audits, reviews and investigations. Patient service revenues for the years ended December 31, 2021 and 2020 increased approximately $2,238,763 and $1,885,000, respectively, for settlements related to prior years and changes in estimates to reflect the most recent information available.

Generally, patients who are covered by third party payors are responsible for related deductibles and coinsurance, which vary in amount. The Medical Center also provides services to uninsured patients, and offers those uninsured or underinsured patients a discount, either by policy or law, from standard charges.

The Medical Center estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charges by any contractual adjustment, discounts and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustment to net patient service revenues in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Consistent with the Medical Center's mission, care is provided to patients regardless of their ability to pay. Therefore, the Medical Center has determined it has provided implicit price concessions to uninsured patients and other patient balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Medical Center expects to collect based on its collection history with those patients.

The Medical Center disaggregates revenues from contracts with customers by type of service and payor source as this depicts the nature, amount, timing and uncertainty of its revenues and cash flows as affected by economic factors. Tables providing details of these factors are presented below.

The composition of patient service revenues by primary payor for the years ended December 31 is as follows:

	2021	2020
Medicare and Medicare managed care	$ 119,520,417	$ 102,806,072
Managed care	101,425,449	91,597,429
Medicaid and Medicaid managed care	106,490,826	87,240,476
Commercial	18,764,421	16,140,101
Self-pay and other	3,153,335	2,712,323
Total	$ 349,354,448	$ 300,496,401

Revenues from patient's deductibles and coinsurance are included in the categories presented above based on the primary payor.

The composition of patient service revenues by service type of the years ended December 31 is as follows:

	2021	2020
Inpatient	$ 226,584,409	$ 197,069,163
Outpatient	54,520,536	56,731,262
Emergency room	37,873,942	23,854,557
Physician services	30,375,561	22,841,419
Total	$ 349,354,448	$ 300,496,401

The federal government and many states have aggressively increased enforcement under Medicare and Medicaid antifraud and abuse legislation. Recent federal initiatives have prompted a national review of federally funded healthcare programs. The Medical Center has a compliance program to monitor conformance with applicable laws and regulations, but the possibility of future government review and interpretation exists. The Medical Center believes that it is in compliance, in all material respects, with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Noncompliance with such laws and regulations could result in repayments of amounts improperly reimbursed, substantial monetary fines, civil and criminal penalties and exclusion from the Medicare and Medicaid programs.

There are various proposals at the federal and NYS levels that could, among other things, reduce reimbursement rates, modify reimbursement methods, and increase managed care penetration, including Medicare and Medicaid. The ultimate outcome and effect on reimbursement to the Medical Center of these proposals and other market changes cannot presently be determined.

State Subsidy Funds

The NYS Public Goods Pools Fund (Pools Fund) was established for various purposes, including the distribution of charity care payments to hospitals statewide. The Pools Fund also provides funds for other uncompensated care for hospitals whose actual costs for healthcare services are significantly greater than the rates paid by the Medicaid program for those services. The Medical Center recognized revenues of approximately $15,800,000 and $5,739,000 in 2021 and 2020, respectively, from the Pools Fund, which is included in patient service revenues in the consolidated statements of operations. The amount paid into the Pools Fund by the Medical Center was approximately $2,080,000 and $2,067,000 in 2021 and 2020, respectively, and is included in patient service revenues in the consolidated statements of operations.

Delivery System Reform Inventive Program

Designed by NYS to seek a federal waiver for the expenditure of Medicaid funds, the Delivery System Reform Incentive Program (DSRIP) will allocate $6.42 billion to health care providers in NYS to undertake system reform, clinical projects and population health management. Providers identified as safety net providers based on the percentage of Medicaid, uninsured and dual eligible patients they serve are eligible to receive funds under DSRIP. In order to participate in DSRIP, providers are required to form collaborations called Performing Provider Systems to execute DSRIP projects. The Medical Center has collaborated with Staten Island University Hospital (SIUH), a member of Northwell Health Inc., to establish the Staten Island Performing Provider System (SIPPS) in 2015. SIPPS is a limited liability company (LLC) established under the laws of the State of New York. SIPPS is exempt from federal income tax under Section 501(c)(3) of the IRC. The Medical Center and SIUH are both members of SIPPS.

The Medical Center recognized revenues of approximately $0 and $5,424,000 in 2021 and 2020, respectively, related to the DSRIP Program, which is included in other revenues in the consolidated statements of operations.

Direct Payment Template Program

Effective December 1, 2021, NYS is implementing enhanced payments for selected services provided by financially distressed hospitals to Medicaid enrollees through a Direct Payment Template application (DPT). The enhanced payments (Medicaid Managed Care rate add-on payments) for select services are constructed to allow qualifying financially distressed hospitals to receive sufficient reimbursement to enable their continued ability to serve Medicaid and low-income patient populations and to continue their process of transformation to meet Medicaid managed care needs. The Medical Center qualifies for these payments.

In February 2022, CMS approved the NYS fiscal 2022 DPT application. This approval authorizes the Medicaid Managed Care rate add-on for the retroactive period December 1, 2021 through March 31, 2022, for the covered services under the program. NYS must reapply each fiscal year for approval of the DPT. As of the date of the consolidated financial statements, NYS has not received CMS approval of its fiscal 2023 (April 1, 2022 to March 31, 2023) DPT application.

In April and May 2022, the Medical Center received advances for approximately 80% of the fiscal 2022 retroactive payment in the amount of approximately $21 million, which is subject to final settlement that is expected to occur in the summer of 2022.

5. Fair Value of Assets Whose Use is Limited and Short-Term Investments

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The framework that the authoritative guidance establishes for measuring fair value includes a hierarchy used to classify the inputs used in measuring fair value. The hierarchy prioritizes the inputs used in determining valuations into three levels. The level in the fair value hierarchy within which the fair value measurement falls is determined based on the lowest level input that is significant to the fair value measurement.

The levels of the fair value hierarchy are as follows:

Level 1 - Unadjusted quoted prices in active markets that are accessible to the Medical Center for identical assets.

Level 2 - Significant inputs, other than Level 1 inputs, that are observable either directly or indirectly for substantially the full term of the asset through corroboration with observable market data.

Level 3 - Significant unobservable inputs.

The following tables present financial instruments measured at fair value by caption on the consolidated balance sheets at December 31:

	2021			
	Total	**Level 1**	**Level 2**	**Level 3**
Short-term investments:				
Money market funds	$ 26,602,497	$ 26,602,497	$ -	$ -
Total short-term investments	26,602,497	26,602,497	-	-
Assets whose use is limited:				
Externally designated under trust indenture:				
Guaranteed investment contract	6,169,597	-	-	6,169,597
Total measured at fair value	32,772,094	$ 26,602,497	$ -	$ 6,169,597
Cash and cash equivalents	21,109,506			
Total assets	$ 53,881,600			

	2020			
	Total	**Level 1**	**Level 2**	**Level 3**
Short-term investments:				
U.S. Treasury bills	$ 47,331,615	$ -	$ 47,331,615	$ -
U.S. Treasury bonds	9,988,647	-	9,988,647	-
Money market funds	5,203,053	5,203,053	-	-
Total short-term investments	62,523,315	5,203,053	57,320,262	-
Assets whose use is limited:				
Externally designated under trust indenture:				
Guaranteed investment contract	6,169,597	-	-	6,169,597
Total measured at fair value	68,692,912	$ 5,203,053	$ 57,320,262	$ 6,169,597
Cash and cash equivalents	19,891,519			
Total assets	$ 88,584,431			

Assets whose use is limited is comprised of the following at December 31:

	2021	2020
Externally designated under trust indenture:		
2018 Bonds:		
Project fund	$ 17,574,590	$ 18,680,241
Capitalized interest fund	2,427	29,879
Debt service reserve funds	9,702,086	7,350,996
Total	$ 27,279,103	$ 26,061,116

Valuation Methodologies

U.S. Treasury bills, U.S. Treasury bonds and money market funds are stated at fair value and based on quoted market prices, if available, or estimated using quoted market prices of similar securities.

The guaranteed investment contract is valued based on discounted cash flows and the contract value approximates fair value.

6. Property and Equipment and Accumulated Depreciation

Property and equipment and accumulated depreciation at December 31, 2021 and 2020 are as follows:

	2021	2020
Land	$ 4,471,164	$ 4,785,834
Land improvements	1,024,304	990,498
Buildings and improvements	63,217,383	61,639,838
Equipment	95,658,405	85,437,738
Total cost	164,371,256	152,853,908
Accumulated depreciation	(88,101,208)	(78,224,540)
	76,270,048	74,629,368
Construction in progress	142,819,009	70,327,800
Property and equipment, net	$ 219,089,057	$ 144,957,168

Included in the above amounts are building and equipment under capital leases with a cost of $2,782,093 at December 31, 2021 and 2020 and accumulated amortization of $1,883,484 at December 31, 2021 and $1,598,283 at December 31, 2020.

At December 31, 2021, the Medical Center had commitments outstanding of approximately $81,000,000 related to current construction projects.

The Medical Center has received grants from various governmental agencies for approximately $110,000,000 related to certain projects, including projects that have not yet commenced, and will be reimbursed as expenditures are incurred. The total costs incurred in 2021 were approximately $27,000,000 and are reported as contributions in net assets with donor restrictions. These amounts will be released from restriction when the asset is place in service.

7. Long-Term Debt

Long-term debt is comprised of the following at December 31, 2021 and 2020:

	2021	2020
2018 Bonds payable	$ 131,950,000	$ 102,180,000
Equipment loans	1,789,542	2,442,796
Capital lease obligations, interest at fixed rates from 1.0% to 7.3% due at various dates through May 2025	729,732	1,039,448
Total	134,469,274	105,662,244
Less current portion	(3,641,633)	(2,011,440)
Less deferred financing costs	(2,873,052)	(2,979,439)
Less original issue discount	(3,822,377)	(3,656,622)
Long-term debt	$ 124,132,212	$ 97,014,743

2018 Bonds

On December 20, 2018, Build NYC Resource Corporation (the Issuer) issued its Build NYC Resource Corporation Tax-Exempt Revenue Bonds, Series 2018A (the Series 2018A Bonds) and its Build NYC Resource Corporation Tax-Exempt Revenue Bonds (the Series 2018B Bonds) for the benefit of the Medical Center. The maximum amount of the Series 2018A Bonds that can be issued is $102,065,000 and the maximum amount of the Series 2018B Bonds that can be issued is $30,000,000. The Series 2018A and Series 2018B Bonds (collectively, the 2018 Bonds) were issued as draw-down bonds. There was $102,065,000 drawn on the Series 2018A Bonds at December 31, 2021 and 2020. There was $29,885,000 and $115,000 drawn on the Series 2018B Bonds at December 31, 2021 and 2020, respectively. The 2018 Bonds were purchased by an independent third party.

The proceeds of the 2018 Bonds are being used to (i) refinance the Medical Center's existing revolving loan payable, term loan payable and first mortgage loan payable, (ii) finance the cost of various capital improvements to the Medical Center's campus, (iii) fund a debt service reserve fund and a capitalized interest fund and (iv) pay certain costs related to the issuance of the 2018 Bonds.

The Series 2018A Bonds and Series 2018B Bonds bear interest at 5.625% and 5.875%, respectively. Interest is due semi-annually on June 1 and December 1 each year, commencing June 1, 2019. The 2018 Bonds mature on December 1, 2050.

The Series 2018A Bonds are subject to mandatory sinking fund installments in amounts ranging from $1,470,000 in 2022 to $6,830,000 in 2050. The Series 2018B Bonds are also subject to mandatory sinking fund installments in amounts ranging from $415,000 in 2022 to $2,050,000 in 2050.

The 2018 Bonds were issued under a Loan Agreement, dated December 1, 2018 between the Issuer and the Medical Center (2018 Loan Agreement). The 2018 Loan Agreement requires the Medical Center to comply with financial covenants, including the requirement that the Medical Center generate funds available for debt service (as defined) equivalent to at least 115% of maximum annual debt service commencing with the fiscal year ending December 31, 2021, with a requirement the Medical Center generate funds available for debt service (as defined) equivalent to at least 100% of maximum annual debt service during any calendar year. The Medical Center did not generate sufficient income to meet the minimum debt service coverage ratio requirement in 2021 and 2020 and was granted a waiver for both years by the Trustee of the 2018 Bonds. The Medical Center is also required to comply with a day's cash on hand requirement (as defined) of at least 30 days, commencing with the fiscal year ended December 31, 2018.

Security

The 2018 Bonds are secured by a mortgage lien on and security interest in the Medical Center's property and equipment and a security interest in the Medical Center's gross revenues, as defined in the 2018 Loan Agreement.

Equipment Loans

The Medical Center entered into financing agreements for certain equipment, which are collateralized under the agreements. Payments under the financing agreements are payable in monthly installments through the term of the respective agreement.

Capital Lease Obligations

The Medical Center has entered into various capital lease agreements, including leases for a building and equipment, which are collateralized under the agreements. Payments under the capital lease agreements are payable in monthly installments through the term of the respective agreement.

With regard to the building lease, the Medical Center entered into a lease for approximately 38,000 square feet of space representing the first floor of a building located in Corporate Commons One in the address known as One Teleport Drive, South Avenue, Staten Island, New York. The lease was for a 15-year term beginning April 1, 2010, with two five-year renewal options.

During January 2011, the Medical Center exercised an option to rent an additional 14,332 square feet of space representing approximately one-third of the second floor of Corporate Commons One.

Scheduled principal and sinking fund payments on the long-term debt at December 31, 2021, are as follows:

Years ending December 31:	
2022	$ 3,641,633
2023	2,541,556
2024	2,312,585
2025	2,263,501
2026	2,355,000
Thereafter	121,354,999
Total	$ 134,469,274

8. Estimated Insurance Claims Liability

Medical Malpractice

The Medical Center maintains malpractice insurance coverage with a combination of a self-insurance and commercial insurance policies.

Primary Coverage: Primary coverage is provided under the terms of an insurance policy with Physicians' Reciprocal Insurers. From January 1, 2007 through December 31, 2012, the coverage was for losses, if any, reported during the period the contracts are in force, "claims made coverage," for claims up to an annual maximum of $2,000,000 per occurrence and $6,000,000 in the aggregate. From January 1, 2013 through December 31, 2015, the coverage was for losses, if any, for claims up to an annual maximum of $1,000,000 per occurrence and $6,000,000 in the aggregate. From January 1, 2016 through December 31, 2016, the coverage was for losses, if any, for claims up to an annual maximum of $1,000,000 per occurrence and $6,000,000 in the aggregate with a $100,000 deductible for each and every indemnity claim. Beginning January 1, 2017, the coverage is for losses, if any, for claims up to an annual maximum of $1,000,000 per occurrence and $6,000,000 in the aggregate. Beginning January 1, 2018, the policy aggregate was increased to $8,000,000 for professional hospital liability.

Effective January 1, 2021, primary coverage is provided under the terms of an insurance policy with EmPro Insurance Company which was formerly Physicians' Reciprocal Insurers.

Self-Insured Retention: From January 1, 2007 through December 31, 2007, the Medical Center had a self-insured retention of $5,000,000 per claim above the primary insurance coverage. From January 1, 2008 through December 31, 2008, the Medical Center had a self-insured retention of $8,000,000 per claim above the primary insurance coverage. From January 1, 2009 through December 31, 2009, the Medical Center had a self-insured retention of $2,000,000 per occurrence and $4,000,000 aggregate, for obstetric claims only, above the primary insurance coverage. This was applicable on a claims-made basis.

Excess Coverage: From January 1, 2007 through December 31, 2007, excess coverage was provided through an excess insurance policy with Lexington Insurance Company with an individual occurrence limit of $10,000,000 and $10,000,000 in the aggregate above the Medical Center's self-insured retention. From January 1, 2008 through December 31, 2008, excess coverage was provided through an excess insurance policy with Lexington Insurance Company with an individual occurrence limit of $5,000,000 and $5,000,000 in the aggregate above the Medical Center's self-insured retention. From January 1, 2009 through December 31, 2009, excess coverage was provided through an excess insurance policy with Darwin National Assurance Company with an individual occurrence limit of $3,000,000 and $3,000,000 in the aggregate above the Medical Center's self-insured retention for obstetrics only. From January 1, 2010 through December 31, 2012, excess coverage was provided through an excess insurance policy with Darwin National Assurance Company that effectively eliminated the Medical Center's self-insured layers of retention. Effective January 1, 2013, the Medical Center does not have excess insurance in place.

The Medical Center's liability for the estimated future payments of its asserted and unasserted medical malpractice claims was approximately $37,193,000 at December 31, 2021 and $34,296,000 at December 31, 2020. The discount rate used in determining these liabilities was 3% at December 31, 2021 and 2020. The Medical Center has recorded a receivable, and related claim liability, for anticipated insurance recoveries of approximately $22,329,000 at December 31, 2021 and $18,602,000 at December 31, 2020, with a net liability of approximately $14,864,000 and $15,694,000 at December 31, 2021 and 2020, respectively.

General Liability

Primary Coverage: Primary coverage is provided under the terms of an insurance policy with Physicians' Reciprocal Insurers. The coverage is for claims up to an annual maximum of $2,000,000 per occurrence and $7,000,000 in the aggregate.

Effective January 1, 2021, primary coverage is provided under the terms of an insurance policy with EmPro Insurance Company which was formerly Physicians' Reciprocal Insurers.

Self-Insured Retention: From January 1, 2007 through December 31, 2007, the Medical Center had a self-insured retention of $5,000,000 per claim on an occurrence basis above the primary insurance coverage. From January 1, 2008 through December 31, 2008, the Medical Center had a self-insured retention of $8,000,000 per claim on an occurrence basis above the primary insurance coverage.

Excess Coverage: From January 1, 2007 through December 31, 2007, excess coverage was provided through an excess insurance policy with Lexington Insurance Company with an individual occurrence limit of $10,000,000 and $10,000,000 in the aggregate above the Medical Center's self-insured retention. From January 1, 2008 through December 31, 2008, excess coverage was provided through an excess insurance policy with Lexington Insurance Company with an individual occurrence limit of $5,000,000 and $5,000,000 in the aggregate above the Medical Center's self-insured retention.

From January 1, 2009 through December 31, 2009, excess coverage was provided through an excess insurance policy with Lexington Insurance Company with an individual occurrence limit of $3,000,000 and $3,000,000 in the aggregate above the Medical Center's self-insured retention for obstetric claims only. From January 1, 2010 through December 31, 2012, excess coverage was provided through an excess insurance policy with Darwin National Assurance Company that effectively eliminated the Medical Center's self-insured layers of retention. Effective January 1, 2013, the Medical Center does not have excess insurance in place.

The Medical Center's liability for the estimated future payments of its asserted and unasserted general liability claims was approximately $1,192,049 at December 31, 2021 and $1,029,000 at December 31, 2020. The discount rate used in determining these liabilities was 3% at December 31, 2021 and 20120 The Medical Center has recorded a receivable, and related claim liability, for anticipated insurance recoveries of approximately $1,192,000 at December 31, 2021 and $1,029,000 at December 31, 2020.

The estimates for professional liabilities under the Medical Center's insurance program are based upon extremely complex actuarial calculations which utilize factors such as historical claim experience for the Medical Center and related industry factors, trending models, estimates for the payment patterns of future claims and present value discounting factors. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Revisions to estimated amounts resulting from actual experience differing from projected expectations are recorded in the period the information becomes known.

During 2013, in connection with the self-insurance retention, the Board approved a separate trust be established related to payments of the self-insurance program's covered liability losses and related expenses. (See Note 2).

The Medical Center believes that it has adequate insurance coverages for all asserted claims and has no knowledge of unasserted claims which would exceed insurance coverages.

9. Health Insurance

The Medical Center self-insures its employee health insurance coverage. The Medical Center accrues the estimated costs of incurred and reported and unreported claims, after consideration of its stop-loss insurance coverage, based upon data provided by the third party administrator of the program and historical claims experience. Self-insured costs incurred under this program were approximately $8,464,000 and $6,180,000 in 2021 and 2020, respectively, and are included in employee benefits in the consolidated statements of operations. The self-insured liability was approximately $897,000 and $636,000 at December 31, 2021 and 2020, respectively, and is included in accounts payable and accrued expenses in the accompanying consolidated balance sheets.

10. Retirement Plans

Defined Contribution Pension Plans

The Medical Center maintains a 403(b) tax sheltered annuity plan for its nonunion employees in which the employees contribute to the plan with no employer match. The Medical Center also maintains a 401(a) contributory plan for its nonunion employees which provides for a discretionary contribution by the Medical Center that is allocated to the employees based on qualified compensation as defined by the plan. Total pension expense associated with the 401(a) plan was approximately $ 4,859,000 in 2021 and $3,503,000 in 2020. In addition, the Medical Center contributes to certain union pension plans.

Multiemployer Pension Plans

The Medical Center contributes to a multiemployer defined benefit pension plan under the terms of a collective-bargaining agreement that covers its union-represented employees, the 1199 SEIU Healthcare Employees Pension Fund (1199 SEIU Plan). The risks of participating in multiemployer plans are different from single-employer plans in the following aspects:

- Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
- If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
- If an employer chooses to stop participating in some of its multiemployer plans, the employer may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Medical Center's participation in this plan for the years ended December 31, 2021 and 2020 is outlined in the table below. The "EIN Number" column provides the Employer Identification Number (EIN). Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2021 and 2020 is for a plan's fiscal year beginning January 1, 2021 and 2020, respectively. This zone status is based on information that the Medical Center received from the plan and is certified by the plan's actuaries. Among other factors, plan in the red zone are generally less than 65% funded, plans in the yellow zone are less than 80% funded and plans in the green zone are at least 80% funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or rehabilitation plan (RP) is pending or has been implemented. The last column lists the expiration dates of the collective bargaining agreements to which the plan is subject.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status as of January 1		FIP/RP Status Pending/ Implementation	Company Contributions (in Thousands)		Surcharge Imposed	Expiration Date of Collective Bargaining Agreements
		2021	2020		2021	2020		
1199 SEIU Health Care Employees Pension Fund	13-3604862/001	Green	Green	No	$ 7,566	$ 7,548	No	9/30/2021

The Medical Center was not listed in the 1199 SEIU Plan's 2020 Form 5500 as providing more than 5% of the total plan contributions. Form 5500 is not available for the plan's year ended in 2021.

Defined Benefit Pension Plan

The Medical Center has a noncontributory defined benefit pension plan (the Plan) covering the eligible employees represented by the New York State Nurses' Association (NYSNA). Although the Plan became effective January 1, 2012, pursuant to a collective bargaining agreement by and between the Medical Center and NYSNA, the Plan provides benefits with respect to service beginning on and after April 1, 2010 and certain retroactive recognition of eligibility and vesting service. The Plan uses a December 31 measurement date. The Medical Center's funding policy is to contribute annually at least the minimum amounts required under the Employee Retirement Income Security Act of 1974.

In connection with the acquisition of SIMH, effective January 1, 2019, the Medical Center became the sponsor of SIMH's noncontributory defined benefit pension plan (the SIMH Plan).

The following is a summary of the funded status of the defined benefit pension plans at December 31, 2021 and 2020, the measurement date for the plans.

	Richmond University Medical Center (NYSNA Plan)		Staten Island Mental Health Society	
	2021	2020	2021	2020
Fair value of plan assets	$ 66,865,027	$ 57,723,470	$ 12,459,549	$ 10,763,587
Projected benefit obligation	101,730,305	97,164,171	15,884,873	15,852,450
Funded status of plan	$ (34,865,278)	$ (39,440,701)	$ (3,425,324)	$ (5,088,863)

The changes in the Plan's projected benefit obligation and Plan's Assets during 2021 and 2020 are as follows:

	Richmond University Medical Center (NYSNA Plan)		Staten Island Mental Health Society	
	2021	2020	2021	2020
Projected benefit obligation at beginning of year	$ 97,164,171	$ 73,622,156	$ 15,852,450	$ 15,619,623
Service cost	8,700,266	7,357,180	-	-
Interest cost	2,746,530	2,672,827	435,788	538,080
Actuarial (gain) loss	(5,669,547)	14,471,101	464,004	756,702
Benefits paid	(1,211,115)	(959,093)	(867,369)	(1,061,955)
Projected benefit obligation at end of year	$ 101,730,305	$ 97,164,171	$ 15,884,873	$ 15,852,450
Accumulated benefit obligation	$ 89,855,394	$ 83,987,607	$ 15,884,873	$ 15,852,450

	Richmond University Medical Center (NYSNA Plan)		Staten Island Mental Health Society	
	2021	2020	2021	2020
Fair value of plan assets at beginning of year	$ 57,723,470	$ 46,332,815	$ 10,763,587	$ 10,368,649
Actual return on plan assets	5,152,672	6,699,748	1,680,331	946,693
Employer contributions	5,200,000	5,650,000	883,000	510,200
Benefits paid	(1,211,115)	(959,093)	(867,369)	(1,061,955)
Fair value of plan assets at end of year	$ 66,865,027	$ 57,723,470	$ 12,459,549	$ 10,763,587

Amounts recognized in accumulated net assets without donor restrictions consist of:

	Richmond University Medical Center (NYSNA Plan)		Staten Island Mental Health Society	
	2021	2020	2021	2020
Net actuarial loss	$ 14,768,546	$ 23,457,774	$ 4,896,117	$ 5,931,294
Prior service cost	33,281	80,818	-	-
Total	$ 14,801,827	$ 23,538,592	$ 4,896,117	$ 5,931,294

The estimated net actuarial loss and prior service cost that is expected to be amortized from other changes in net assets into net periodic pension cost for the year ended December 31, 2021 for the Plan is $419,682 and $33,281, respectively. The estimated net actuarial loss and prior service cost that is expected to be amortized from other changes in net assets into net periodic pension cost for the year ended December 31, 2021 for the SIMH Plan is $481,460.

The Plan's actuarial gain of $5,669,547 and the SIMH Plan's actuarial loss of $464,004 in 2021 were primarily attributed to an increase in the discount rate.

Components of net periodic pension cost in 2021 and 2020 are as follows:

	Richmond University Medical Center (NYSNA Plan)		Staten Island Mental Health Society	
	2021	2020	2021	2020
Operating:				
Service cost	$ 8,700,266	$ 7,357,180	$ -	$ -
Nonoperating:				
Interest cost	2,746,530	2,672,827	435,788	538,080
Expected return on plan assets	(3,325,163)	(3,119,724)	(762,173)	(681,812)
Amortization of prior service cost	47,537	47,537	-	-
Amortization of accumulated loss	1,192,172	593,760	581,023	612,561
Net periodic pension cost	$ 9,361,342	$ 7,551,580	$ 254,638	$ 468,829

The weighted-average assumptions used in computing the benefit obligation of the Plan at December 31, 2021 and 2020 are as follows:

	Richmond University Medical Center (NYSNA Plan)		Staten Island Mental Health Society	
	2021	2020	2021	2020
Discount rate	3.13 %	2.87 %	3.02 %	2.84 %
Rate of compensation increase	2.50	2.50	N/A	N/A

The weighted-average assumptions used in the measurement of the net periodic pension cost of the Plan in 2021 and 2020 are as follows:

	Richmond University Medical Center (NYSNA Plan)		Staten Island Mental Health Society	
	2021	2020	2021	2020
Discount rate	2.87 %	3.62 %	2.84 %	3.63 %
Expected long-term rate of return on plan assets	6.50	6.50	7.00	7.00
Rate of compensation increase	2.50	2.50	N/A	N/A

The following table sets forth the actual asset allocation for plan assets at December 31, 2021 and 2020:

	Richmond University Medical Center (NYSNA Plan)		Staten Island Mental Health Society	
	2021	2020	2021	2020
Cash and cash equivalents	$ 1,754,554	$ 1,709,586	$ 710,447	$ 732,553
Equity mutual funds	40,474,828	34,930,700	10,078,756	8,278,476
Fixed income mutual funds	24,635,645	21,083,184	1,670,346	1,752,558
Total	$ 66,865,027	$ 57,723,470	$ 12,459,549	$ 10,763,587

The following table sets forth the actual asset allocation for plan assets:

	Richmond University Medical Center (NYSNA Plan)			Staten Island Mental Health Society		
	Target Asset Allocation	2021	2020	Target Asset Allocation	2021	2020
Cash and cash equivalents	- %	3 %	3 %	- %	6 %	7 %
Equity mutual funds	55	60	60	50	81	77
Fixed income mutual funds	45	37	37	50	13	16
		100 %	100 %		100 %	100 %

At December 31, 2021 and 2020, plan assets as summarized above were measured using Level 1 inputs (quoted prices in active markets). The Plan did not have any assets whose fair values were measured using Levels 2 or 3 inputs.

The Plan's investments are valued at fair value based on quoted market prices in active markets for cash and cash equivalents and mutual funds.

The Plan's overall portfolio mix of equity mutual funds and fixed income mutual funds is based on asset allocation modeling taking into consideration historical return patterns and risk factors. Equity mutual funds are diversified among mid and small-cap index and growth securities. Fixed income mutual funds are diversified among bond and income securities.

The Plan's investment objectives are to:

- Provide retirement benefits as described in the plan document, and
- Provide a long-term investment return greater than the Plan's actuarial interest rate assumption commensurate with appropriate levels of risk.

The plan assets are invested among and within various asset classes in order to achieve sufficient diversification in accordance with the Medical Center's risk tolerance. This is achieved through the utilization of systemic allocation to investment management styles, providing a broad exposure to different segments of the fixed income and equity markets.

The overall expected long-term rate of return on assets assumption was chosen to anticipate the long range experience of the Plan, including the consideration of the allocation of the plan assets between equity and debt securities. The recognition of inflationary trends in the economy was also considered to determine the overall expected long-term rate of return on assets.

The following benefit payments, which reflect expected future services, as appropriate, are expected to be paid:

	Richmond University Medical Center (NYSNA Plan)
Years ending December 31:	
2022	$ 1,620,000
2023	2,009,000
2024	2,449,000
2025	2,882,000
2026	3,332,000
2027 - 2031	22,835,000

The Medical Center expects to contribute approximately $5,200,000 to the Plan in 2022. The Medical Center expects to contribute to the SIMH Plan in 2022 but the amount was not known at the time the consolidated financial statements were available to be issued.

11. Operating Lease Commitments

The following is a schedule by year of approximate future minimum lease payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of December 31, 2021:

Years ending December 31:	
2022	$ 4,583,369
2023	3,356,093
2024	3,208,667
2025	2,301,582
2026	1,251,325
Thereafter	8,026,434
Total	$ 22,727,470

Rental expense for operating leases was approximately $5,014,000 in 2021 and $5,158,000 in 2020.

12. Contingencies

Litigation

Various suits and claims arising in the normal course of operations are pending or are on appeal against the Medical Center. While the outcome of these suits cannot be determined at this time, management believes that any loss which may arise from the Medical Center's actions will not have a material adverse effect on the financial position or results of operations.

Asbestos Removal

The Medical Center's facilities, a portion of which were constructed prior to the passage of the Clean Air Act, contain encapsulated asbestos material. Current law requires that this asbestos be removed in an environmentally safe fashion prior to the demolition and renovation of such facility. At this time, the Medical Center has no plans to demolish or renovate its facilities that contain encapsulated asbestos material, and as such, cannot reasonably estimate the fair value of the liability for such asbestos removal. If plans change with respect to the use of its facilities and information becomes available to estimate such a liability, it will be recognized at that time.

COVID-19

The spread of COVID-19 around the world has caused significant volatility in U.S. and international markets, supply chains, businesses and communities. The Medical Center's evaluation of the effects of these events is ongoing as of the date the accompanying consolidated financial statements were issued. COVID-19 may impact various parts of the Medical Center's 2022 operations and financial performance, including but not limited to additional costs for emergency preparedness, disease control and containment, potential shortages of personnel, supply chain disruption or declines in revenues related to decreases in occupancy or volumes of certain revenues streams. The extent of the impact will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

13. Significant Group Concentrations of Credit Risk

The Medical Center grants credit without collateral to its patients, most of who are local residents and are insured under third party payor arrangements, primarily with Medicare, Medicaid and various commercial insurance companies.

At December 31, 2021 and 2020, the composition of accounts receivable from patients and third party payors is as follows:

	2021	2020
Managed care	56 %	56 %
Medicare and Medicaid	19	23
Blue Cross	16	12
Other	5	7
Self-pay	4	2
	100 %	100 %

The Medical Center maintains its cash and cash equivalents with several financial institutions which, from time to time, exceed FDIC coverage.

The Medical Center has contracts with six separate unions as of December 31, 2021. Approximately 74% of the Medical Center's employees are covered by these contracts. The contract with NYSNA, which covers 23% of the Medical Center's employees, expires on December 31, 2022.

14. Liquidity and Availability of Resources

Financial assets available for general expenditures within one year of the consolidated balance sheets date, consist of the following at December 31, 2021 and 2020:

	2021	2020
Cash and cash equivalents	$ 24,270,866	$ 42,291,241
Patient accounts receivable	42,554,316	33,653,478
Other accounts receivable	4,590,941	8,876,819
Short-term investments	26,602,497	62,523,315
Total	$ 98,018,620	$ 147,344,853

The Medical Center has other assets whose use is limited that are externally designated under bond indenture agreements. These assets are not available for general expenditures within the next year and are not reflected in the amounts above.

The Medical Center has designated certain assets as available for settling professional liability claims; however, these assets could be used for general expenditures if necessary and, therefore, have been included in the table above.

As part of the Medical Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

15. Functional Expenses

The Medical Center provides general acute care and related services to individuals within its geographic location. Expenses related to providing these services in 2021 and 2020 approximate the following:

	2021			
	Program Services	General and Administrative	Fundraising	Total
Salaries, wages and contracted labor	$ 186,175,000	$ 27,657,000	$ 162,000	$ 213,994,000
Purchased services and other	60,030,000	7,983,000	987,000	69,000,000
Employee benefits	64,636,000	9,622,000	36,000	74,294,000
Medical and surgical supplies and drugs	42,333,000	6,326,000	-	48,659,000
Insurance	10,788,000	1,612,000	-	12,400,000
Interest	981,000	147,000	-	1,128,000
Depreciation and amortization	8,786,000	1,313,000	-	10,099,000
Total	$ 373,729,000	$ 54,660,000	$ 1,185,000	$ 429,574,000

	2020			
	Program Services	General and Administrative	Fundraising	Total
Salaries, wages and contracted labor	$ 184,006,000	$ 26,880,000	$ 162,000	$ 211,048,000
Purchased services and other	56,052,000	8,035,000	203,000	64,290,000
Employee benefits	62,001,000	9,264,000	36,000	71,301,000
Medical and surgical supplies and drugs	35,175,000	5,169,000	-	40,344,000
Insurance	11,384,000	1,673,000	-	13,057,000
Interest	163,000	24,000	-	187,000
Depreciation and amortization	9,212,000	1,354,000	-	10,566,000
Total	$ 357,993,000	$ 52,399,000	$ 401,000	$ 410,793,000

The consolidated financial statements report certain expense categories that are attributable to more than one health care service or support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including depreciation and amortization, interest and other occupancy costs, are allocated to a function based on a square footage basis.

16. Subsequent Events

The Medical Center evaluated subsequent events for recognition or disclosure through May 26, 2022, the date the consolidated financial statements were available to be issued.

The Medical Center is in the process of issuing approximately $33 million of 2022 Tax-Exempt Revenue Bonds through the Build NYC Resource Corporation. The bond financing is expected to close in May 2022 and will be used for capital projects.

The Medical Center is in the process of applying for a grant through the Federal Emergency Management Agency (FEMA) for reimbursement of COVID-19 related expenses. The status of the application is not yet known as of the date the consolidated financial statements were available to be issued.

Richmond University Medical Center

Consolidating Balance Sheet Schedule
December 31, 2021

	Richmond Medical Center	Amboy Medical Practice, P.C.	Richmond Medical Center Foundation, Inc.	Richmond Quality, LLC	Eliminations	Consolidated
Assets						
Current Assets						
Cash and cash equivalents	$ 17,127,323	$ 2,192,302	$ 2,351,267	$ 2,599,974	$ -	$ 24,270,866
Accounts receivable:						
Patients	40,171,277	2,383,039	-	-	-	42,554,316
Other	4,448,164	13,688	129,089	-	-	4,590,941
Short-term investments	26,602,497	-	-	-	-	26,602,497
Current portion of assets whose use is limited	14,412,103	-	-	-	-	14,412,103
Current portion of insurance recoveries receivable	7,677,063	-	-	-	-	7,677,063
Inventories of drugs and supplies	6,657,095	-	-	-	-	6,657,095
Due from affiliates	64,172,064	-	-	-	(64,172,064)	-
Prepaid expenses and other current assets	1,373,155	-	-	-	-	1,373,155
Estimated third party payor settlements	1,108,294	-	-	-	-	1,108,294
Total current assets	183,749,035	4,589,029	2,480,356	2,599,974	(64,172,064)	129,246,330
Assets Whose Use is Limited	12,867,000	-	-	-	-	12,867,000
Property and Equipment, Net	214,999,457	4,089,600	-	-	-	219,089,057
Beneficial Interest in Foundation	4,796,372	-	-	-	(4,796,372)	-
Other Assets, Net	590,793	1,341,854	-	-	-	1,932,647
Pledges Receivable, Net	-	-	2,314,583	-	-	2,314,583
Insurance Recoveries Receivable	15,844,401	-	-	-	-	15,844,401
Total assets	$ 432,847,058	$ 10,020,483	$ 4,794,939	$ 2,599,974	$ (68,968,436)	$ 381,294,018

Richmond University Medical Center

Consolidating Balance Sheet Schedule
December 31, 2021

	Richmond Medical Center	Amboy Medical Practice, P.C.	Richmond Medical Center Foundation, Inc.	Richmond Quality, LLC	Eliminations	Consolidated
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Current portion of long-term debt	$ 3,641,633	$ -	$ -	$ -	$ -	$ 3,641,633
Accounts payable and accrued expenses	62,775,477	-	3,050	-	-	62,778,527
Accounts payable, construction	13,787,361	-	-	-	-	13,787,361
Current portion of estimated insurance claims liability	7,677,063	-	-	-	-	7,677,063
Accrued employee liabilities	22,907,156	2,268,698	-	-	-	25,175,854
Due to affiliates	-	61,576,573	(4,483)	2,599,974	(64,172,064)	-
Medicare advanced payments	21,129,897	-	-	-	-	21,129,897
Deferred revenue	3,525,566	1,053,948	-	-	-	4,579,514
Total current liabilities	135,444,153	64,899,219	(1,433)	2,599,974	(64,172,064)	138,769,849
Long-Term Debt	124,132,212	-	-	-	-	124,132,212
Estimated Third Party Payor Settlements	18,723,984	-	-	-	-	18,723,984
Estimated Insurance Claims Liability	30,708,253	-	-	-	-	30,708,253
Accrued Pension Costs	38,290,602	-	-	-	-	38,290,602
Other Liabilities	333,818	420,665	-	-	-	754,483
Total liabilities	347,633,022	65,319,884	(1,433)	2,599,974	(64,172,064)	351,379,383
Net Assets (Deficit)						
Without donor restrictions	41,693,387	(55,299,401)	706,158	-	-	(12,899,856)
With donor restrictions	43,520,649	-	4,090,214	-	(4,796,372)	42,814,491
Total net assets (deficit)	85,214,036	(55,299,401)	4,796,372	-	(4,796,372)	29,914,635
Total liabilities and net assets (deficit)	$ 432,847,058	$ 10,020,483	$ 4,794,939	$ 2,599,974	$ (68,968,436)	$ 381,294,018

Richmond University Medical Center

Consolidating Schedule of Operations
Year Ended December 31, 2021

	Richmond Medical Center	Amboy Medical Practice, P.C.	Richmond Medical Center Foundation, Inc.	Richmond Quality, LLC	Eliminations	Consolidated
Revenues, Gains and Other Support						
Patient service revenues	$ 315,122,131	$ 34,232,317	$ -	$ -	$ -	$ 349,354,448
Other revenues	31,030,628	2,926,053	1,712,388	3,365,658	(2,696,111)	36,338,616
Stimulus grant revenue	26,022,024	146,933	-	-	-	26,168,957
Net assets released from restrictions, used for operations	43,429	-	-	-	-	43,429
Total revenues, gains and other support	372,218,212	37,305,303	1,712,388	3,365,658	(2,696,111)	411,905,450
Expenses						
Salaries, wages and contracted labor	187,666,511	25,751,573	162,266	413,348	-	213,993,698
Purchased services and other	55,685,293	12,813,687	351,897	2,844,840	(2,696,111)	68,999,606
Employee benefits	68,369,273	5,782,178	35,699	107,470	-	74,294,620
Medical and surgical supplies and drugs	47,395,655	1,263,485	-	-	-	48,659,140
Insurance	10,260,896	2,138,968	-	-	-	12,399,864
Depreciation and amortization	9,108,462	990,101	-	-	-	10,098,563
Interest	1,128,037	-	-	-	-	1,128,037
Total expenses	379,614,127	48,739,992	549,862	3,365,658	(2,696,111)	429,573,528
Operating (loss) income	(7,395,915)	(11,434,689)	1,162,526	-	-	(17,668,078)
Other Loss						
Net periodic pension costs	(915,714)	-		-	-	(915,714)
Revenues in excess of (less than) expenses	(8,311,629)	(11,434,689)	1,162,526	-	-	(18,583,792)
Pension Liability Adjustment	9,771,942	-	-	-	-	9,771,942
Grant Income, Restricted for Capital	1,426,365	-	-	-	-	1,426,365
Net Assets Released From Restrictions, Used for Property and Equipment	671,581	-	-	-	-	671,581
Change in net assets (deficit) without donor restrictions	$ 3,558,259	$ (11,434,689)	$ 1,162,526	$ -	$ -	$ (6,713,904)

Richmond University Medical Center

Consolidating Schedule of Changes in Net Assets
Year Ended December 31, 2021

	Richmond Medical Center	Amboy Medical Practice, P.C.	Richmond Medical Center Foundation, Inc.	Richmond Quality, LLC	Eliminations	Consolidated
Net Assets (Deficit) Without Donor Restrictions						
Revenues in excess of (less than) expenses	$ (8,311,629)	$ (11,434,689)	$ 1,162,526	$ -	$ -	$ (18,583,792)
Pension liability adjustment	9,771,942	-	-	-	-	9,771,942
Grant income, restricted for capital	1,426,365	-	-	-	-	1,426,365
Net assets released from restrictions, used for property and equipment	671,581	-	-	-	-	671,581
Change in net assets (deficit) without donor restrictions	3,558,259	(11,434,689)	1,162,526	-	-	(6,713,904)
Net Assets With Donor Restrictions						
Restricted grants and contributions	29,808,025	-	3,078,770	-	-	32,886,795
Change in beneficial interest in Richmond Medical Center Foundation, Inc.	2,913,459	-	-	-	(2,913,459)	-
Transfers to (from) affiliate	1,327,837	-	(1,327,837)	-	-	-
Net assets released from restrictions, used for operations	(43,429)	-	-	-	-	(43,429)
Net assets released from restrictions, used for property and equipment	(2,097,946)	-	-	-	-	(2,097,946)
Change in net assets (deficit) with donor restrictions	31,907,946	-	1,750,933	-	(2,913,459)	30,745,420
Change in net assets (deficit)	35,466,205	(11,434,689)	2,913,459	-	(2,913,459)	24,031,516
Net Assets (Deficit), Beginning	49,747,831	(43,864,712)	1,882,913	-	(1,882,913)	5,883,119
Net Assets (Deficit), Ending	$ 85,214,036	$ (55,299,401)	$ 4,796,372	$ -	$ (4,796,372)	$ 29,914,635

Richmond University Medical Center

Consolidating Balance Sheet Schedule
December 31, 2020

	Richmond Medical Center	Amboy Medical Practice, P.C.	Richmond Medical Center Foundation, Inc.	Richmond Quality, LLC	Eliminations	Consolidated
Assets						
Current Assets						
Cash and cash equivalents	$ 36,546,050	$ 1,856,974	$ 678,655	$ 3,209,562	$ -	$ 42,291,241
Accounts receivable:						
Patients	30,771,162	2,882,316	-	-	-	33,653,478
Other	2,499,383	9,292	38,500	-	-	2,547,175
Short-term investments	62,523,315	-	-	-	-	62,523,315
Current portion of assets whose use is limited	13,251,083	-	-	-	-	13,251,083
Current portion of insurance recoveries receivable	7,064,970	-	-	-	-	7,064,970
Inventories of drugs and supplies	7,388,621	-	-	-	-	7,388,621
Due from affiliates	55,961,838	-	-	-	(55,961,838)	-
Prepaid expenses and other current assets	2,216,235	-	-	-	-	2,216,235
Estimated third party payor settlements	282,091	-	-	-	-	282,091
Total current assets	218,504,748	4,748,582	717,155	3,209,562	(55,961,838)	171,218,209
Assets Whose Use is Limited	12,810,033	-	-	-	-	12,810,033
Property and Equipment, Net	140,729,093	4,228,075	-	-	-	144,957,168
Beneficial Interest in Foundation	1,882,913	-	-	-	(1,882,913)	-
Other Assets, Net	1,816,176	1,838,831	-	-	-	3,655,007
Pledges Receivable, Net	-	-	1,725,866	-	-	1,725,866
Insurance Recoveries Receivable	12,566,284	-	-	-	-	12,566,284
Total assets	$ 388,309,247	$ 10,815,488	$ 2,443,021	$ 3,209,562	$ (57,844,751)	$ 346,932,567

Richmond University Medical Center

Consolidating Balance Sheet Schedule
December 31, 2020

	Richmond Medical Center	Amboy Medical Practice, P.C.	Richmond Medical Center Foundation, Inc.	Richmond Quality, LLC	Eliminations	Consolidated
Liabilities and Net Assets (Deficit)						
Current Liabilities						
Current portion of long-term debt	$ 2,005,609	$ 5,831	$ -	$ -	$ -	$ 2,011,440
Accounts payable and accrued expenses	42,938,687	-	8,500	-	-	42,947,187
Accounts payable, construction	12,763,049	-	-	-	-	12,763,049
Current portion of estimated insurance claims liability	7,064,970	-	-	-	-	7,064,970
Accrued employee liabilities	22,925,065	1,452,149	-	-	-	24,377,214
Due to affiliates	-	52,200,668	551,608	3,209,562	(55,961,838)	-
Medicare advance payments	9,077,451	-	-	-	-	9,077,451
Deferred revenue	27,369,535	658,691	-	-	-	28,028,226
Total current liabilities	124,144,366	54,317,339	560,108	3,209,562	(55,961,838)	126,269,537
Long-Term Debt	97,014,743	-	-	-	-	97,014,743
Estimated Third Party Payor Settlements	15,103,005	-	-	-	-	15,103,005
Estimated Insurance Claims Liability	28,259,882	-	-	-	-	28,259,882
Medicare Advanced Payments	24,524,865	-	-	-	-	24,524,865
Accrued Pension Costs	44,529,564	-	-	-	-	44,529,564
Other Liabilities	4,984,991	362,861	-	-	-	5,347,852
Total liabilities	338,561,416	54,680,200	560,108	3,209,562	(55,961,838)	341,049,448
Net Assets (Deficit)						
Without donor restrictions	38,135,128	(43,864,712)	(456,368)	-	-	(6,185,952)
With donor restrictions	11,612,703	-	2,339,281	-	(1,882,913)	12,069,071
Total net assets (deficit)	49,747,831	(43,864,712)	1,882,913	-	(1,882,913)	5,883,119
Total liabilities and net assets (deficit)	$ 388,309,247	$ 10,815,488	$ 2,443,021	$ 3,209,562	$ (57,844,751)	$ 346,932,567

Richmond University Medical Center

Consolidating Schedule of Operations
Year Ended December 31, 2020

	Richmond Medical Center	Amboy Medical Practice, P.C.	Richmond Medical Center Foundation, Inc.	Richmond Quality, LLC	Eliminations	Consolidated
Revenues, Gains and Other Support						
Patient service revenues	$ 274,173,542	$ 26,322,859	$ -	$ -	$ -	$ 300,496,401
Other revenues	28,457,461	7,665,643	413,841	3,462,333	(2,161,015)	37,838,263
Stimulus grant revenue	42,170,238	7,325,118	-	-	-	49,495,356
Net assets released from restrictions, used for operations	40,472	-	-	-	-	40,472
Total revenues, gains and other support	344,841,713	41,313,620	413,841	3,462,333	(2,161,015)	387,870,492
Expenses						
Salaries, wages and contracted labor	186,743,074	23,708,960	162,488	433,785	-	211,048,307
Purchased services and other	50,854,890	12,477,326	202,498	2,915,764	(2,161,015)	64,289,463
Employee benefits	65,825,359	5,327,403	35,747	112,784	-	71,301,293
Medical and surgical supplies and drugs	39,403,469	940,797	-	-	-	40,344,266
Insurance	11,672,546	1,384,328	-	-	-	13,056,874
Depreciation and amortization	9,417,330	1,148,176	-	-	-	10,565,506
Interest	187,047	-	-	-	-	187,047
Total expenses	364,103,715	44,986,990	400,733	3,462,333	(2,161,015)	410,792,756
Operating income (loss)	(19,262,002)	(3,673,370)	13,108	-	-	(22,922,264)
Other Income (Loss)						
Interest income	522,707	-	1,421	-	-	524,128
Net periodic pension credit	(1,132,058)	-	-	-	-	(1,132,058)
Revenues in excess of (less than) expenses	(19,871,353)	(3,673,370)	14,529	-	-	(23,530,194)
Pension Liability Adjustment	(10,129,040)	-	-	-	-	(10,129,040)
Grant Income, Restricted for Capital	3,633,898	-	-	-	-	3,633,898
Net Assets Released From Restrictions, Used for Property and Equipment	111,327	-	-	-	-	111,327
Change in net assets (deficit) without donor restrictions	$ (26,255,168)	$ (3,673,370)	$ 14,529	$ -	$ -	$ (29,914,009)

Richmond University Medical Center

Consolidating Schedule of Changes in Net Assets
Year Ended December 31, 2020

	Richmond Medical Center	Amboy Medical Practice, P.C.	Richmond Medical Center Foundation, Inc.	Richmond Quality, LLC	Eliminations	Consolidated
Net Assets (Deficit) Without Donor Restrictions						
Revenues in excess of (less than) expenses	$ (19,871,353)	$ (3,673,370)	$ 14,529	$ -	$ -	$ (23,530,194)
Pension liability adjustment	(10,129,040)	-	-	-	-	(10,129,040)
Grant income, restricted for capital	3,633,898	-	-	-	-	3,633,898
Net assets released from restrictions, used for property and equipment	111,327	-	-	-	-	111,327
Change in net assets (deficit) without donor restrictions	(26,255,168)	(3,673,370)	14,529	-	-	(29,914,009)
Net Assets With Donor Restrictions						
Restricted grants and contributions	2,053,177	-	934,635	-	-	2,987,812
Change in beneficial interest in Richmond Medical Center Foundation, Inc.	(886,503)	-	-	-	886,503	-
Transfer to (from) affiliate	1,835,667	-	(1,835,667)	-	-	-
Net assets released from restrictions, used for operations	(40,472)	-	-	-	-	(40,472)
Net assets released from restrictions, used for property and equipment	(111,327)	-	-	-	-	(111,327)
Change in net assets with donor restrictions	2,850,542	-	(901,032)	-	886,503	2,836,013
Change in net assets (deficit)	(23,404,626)	(3,673,370)	(886,503)	-	886,503	(27,077,996)
Net Assets (Deficit), Beginning	73,152,457	(40,191,342)	2,769,416	-	(2,769,416)	32,961,115
Net Assets (Deficit), Ending	$ 49,747,831	$ (43,864,712)	$ 1,882,913	$ -	$ (1,882,913)	$ 5,883,119

[THIS PAGE INTENTIONALLY LEFT BLANK]

DEFINITIONS OF CERTAIN TERMS IN THE INDENTURE AND THE LOAN AGREEMENT

Additional Bonds shall mean one or more Series of parity additional bonds issued, executed, authenticated and delivered under the Indenture.

Additional Improvements shall have the meaning specified in Section 3.4(a) of the Loan Agreement.

Additional Indebtedness Debt Service Coverage Ratio shall be determined based on the audited financial statements, determined in accordance with GAAP, for the last Fiscal Year preceding the incurrence of the proposed Indebtedness and shall mean the ratio determined by dividing (a) a numerator equal to Cash Available for Debt Service for such Fiscal Year, by (b) a denominator equal to the sum of (i) the Maximum Annual Debt Service for all Indebtedness of the Institution outstanding during such Fiscal Year and the additional Indebtedness proposed to be incurred in accordance with Section 8.31 of the Loan Agreement, provided, however, with respect to any Indebtedness that is not amortized by the terms thereof, the amount of principal which would be payable in such period, if such then outstanding principal were amortized from the date of incurrence thereof, over a period of the lesser of thirty (30) years or the maturity of such Indebtedness (if applicable) on a level debt service basis at an interest rate borne by such Indebtedness on the date calculated, except that if the date of calculation is within twelve (12) months of the scheduled maturity of such Indebtedness the full amount of principal payable at scheduled maturity shall be included in the calculation. In addition, with respect to variable rate indebtedness, the interest on such indebtedness shall be calculated at the rate which is equal to the average of the actual interest rates which were in effect for the most recent twelve (12) month period immediately preceding the date of calculation. For purposes of section 8.31(c)(i)(2) of the Loan Agreement, the Additional Indebtedness Debt Service Coverage Ratio shall be determined for two consecutive Fiscal Years, the second of which is the last Fiscal Year preceding the incurrence of the proposed Indebtedness.

Advance Direction Letter shall have the meaning set forth in the Agreement to Advance.

Affiliate shall mean, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person. For the avoidance of doubt, the Bondholder Representative shall not be deemed to be an Affiliate of the Institution as a result of entering into the Loan Agreement and performing their respective obligations thereunder.

Agreement to Advance shall mean the Agreement to Advance, dated as of the Closing Date, among the Institution, Preston Hollow Capital, LLC, as the initial purchaser of the Initial Bonds, the Trustee and the Underwriter, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Annual Administrative Fee shall mean that annual administrative fee established from time to time by the Issuer's Board of Directors as generally applicable to Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors).

Approved Facility shall mean the Facility as occupied, used and operated by the Institution substantially for the Approved Project Operations, including such other activities as may be substantially related to or substantially in support of such operations, all to be effected in accordance with the Loan Agreement.

Approved Project Operations shall mean the facilities located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York, for use by the Institution as a hospital, medical center and ancillary facilities.

Asserted Cure has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

Asserted LW Violation has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

Authorized Denomination shall mean $100,000 or any integral multiple of $5,000 in excess thereof; provided, however, that after the Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination with respect to the Bonds shall be $5,000 or any integral multiple thereof.

Authorized Principal Amount shall mean, (i) in the case of the Series 2018A Bonds, up to $117,000,000, (ii) in the case of the Series 2018B Bonds, up to $42,600,000, (iii) in the case of the Series 2022 Bonds, up to $31,160,000, and (iv) in connection with a Series of Additional Bonds, as set forth in the Supplemental Indenture related to such Series of Additional Bonds.

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C — "Authorized Representative of Institution" to the Loan Agreement (or in an exhibit to any amendment to the Loan Agreement), or any other officer or employee of the Institution who is authorized to perform specific duties hereunder or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of the Loan Agreement, the Indenture or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Available Reserves shall mean, for any Liquidity Testing Date, the fair market value of all unrestricted and liquid cash and investments of the Institution as of such Liquidity Testing Date, determined as set forth in a Certificate of Authorized Representative of the Institution, but excluding the amounts on deposit in any bond payment, debt service or similar fund pledged for the payment of principal or interest due on any Indebtedness, and in any event excluding amounts in a Debt Service Reserve Fund.

Beneficial Owner shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the Beneficial Owner of such Bond by the respective systems of DTC and each of the Participants of DTC. If at any time any or all of the Bonds are not held in the book-entry system, Beneficial Owner with respect to such Bond shall mean "Holder" for purposes of the Security Documents.

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

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

Bond Resolution shall mean (i) in the case of the Series 2018 Bonds, the resolution of the Issuer adopted on November 7, 2018, authorizing the Series 2018 Project and the issuance of the Series

2018 Bonds, (ii) in the case of the Series 2022 Bonds, the resolution of the Issuer adopted on January 18, 2022, authorizing the Series 2022 Project and the issuance of the Series 2022 Bonds, and (iii) in the case of a Series of Additional Bonds, the resolution of the Issuer adopted in connection with the issuance of such Series of Additional Bonds.

Bondholder, **Holder of Bonds**, **Holder** or **holder** shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bondholder Representative shall mean Preston Hollow Capital, LLC, and any successor thereto designated as the Bondholder Representative in accordance with Section 10.01 of the Indenture.

Bonds shall mean the Series 2018 Bonds, the Series 2022 Bonds and any Additional Bonds.

Building Loan Agreement shall mean the Series 2018 Building Loan Agreement, the Series 2022 Building Loan Agreement and any building loan agreement entered into in connection with a Series of Additional Bonds, as applicable.

Business Day shall mean any day that shall not be:

(i) a Saturday, Sunday, or legal holiday;

(ii) a day on which banking institutions in the City are authorized by law or executive order to close; or

(iii) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is closed.

Business Incentive Rate shall mean the discount energy transportation and delivery rate provided through the Business Incentive Rate program co-administered by NYCEDC and Consolidated Edison Company of New York, Inc.

Campus shall mean the Institution's campus located at 355 Bard Avenue, Staten Island New York, which is bounded by Bard Avenue on the west, Moody Place on the north, Kissel Avenue on the east and Castleton Avenue on the south.

Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Capital Lease shall mean a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

Cash Available for Debt Service shall mean for any Semi-Annual Period the amount determined as the sum of net income, depreciation, amortization, interest expense and any other noncash expense for such Semi-Annual Period, all as determined for financial reporting purposes for such Semi-Annual Period in accordance with GAAP.

Certificate shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Certificate of Authorized Representative of the Institution shall mean a certificate signed by an Authorized Representative of the Institution which shall state that it is being delivered pursuant

to (and shall identify the Section or subsection of) the Loan Agreement, and shall incorporate by reference and use in all appropriate instances all terms defined in the Loan Agreement. Each Certificate of Authorized Representative of the Institution shall state that (i) the terms thereof are in compliance with the requirements of the Section or subsection pursuant to which such certificate is delivered, or shall state in reasonable detail the nature of any non-compliance and the steps being taken to remedy such non-compliance, (ii) no Default or Event of Default has occurred and is continuing, and (iii) it is being delivered together with any opinions, schedules, statements, pro forma financial statements or other documents required in connection therewith. Any Certificate of Authorized Representative of the Institution made with respect to compliance with Sections 8.32 and 8.33 of the Loan Agreement shall be accompanied with the appropriate documentation evidencing such compliance as reasonably requested by Bondholder Representative and shall be prepared in good faith by the Institution.

CGL shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

City shall mean The City of New York, New York.

Claims shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Closing Date shall mean, with respect to a Series of Bonds, the date of delivery of such Series of Bonds by the Trustee, against payment therefor.

CM shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

Cogeneration Facility Project Work shall mean (i) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Collateral Mortgage shall mean the Series 2018 Collateral Mortgage and the Series 2022 Collateral Mortgage, as applicable.

Collateral Mortgaged Property shall mean the Series 2018 Collateral Mortgaged Property and the Series 2022 Collateral Mortgaged Property, as applicable.

Completion Deadline shall mean the Series 2018 Completion Deadline, the Series 2022 Completion Deadline and any completion deadline set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

Completion Guaranty shall mean the Completion Guaranty dated as of December 1, 2018, by the Institution for the benefit of the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Comptroller has the meaning specified in Section 8.30(b) of the Loan Agreement.

Computation Date shall have the meaning assigned to that term in the Tax Certificate.

Computation Period shall have the meaning assigned to that term in the Tax Certificate.

Concessionaire has the meaning specified in Section 8.30(b) of the Loan Agreement.

Conduct Representation shall mean any representation by the Institution under Section 2.2(r) of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement), or by any other Person in any Required Disclosure Statement delivered to the Issuer.

Construction shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Consultant shall mean a Person or firm selected by the Institution subject to the reasonable consent of Bondholder Representative that is not (and no member, stockholder, director, officer or employee of which is) an officer or employee of the Institution, Bondholder Representative, or any Affiliate thereof, that is an independent professional consultant with substantial experience and recognized expertise in the operation and management of hospitals and/or medical facilities. Any and all fees, costs and expenses of Consultant shall be borne by the Institution.

Construction Disbursement and Monitoring Agreement shall mean the Construction Disbursement and Monitoring Agreement, by and among the Institution, the Trustee and Preston Hollow Capital, LLC, substantially in the form attached to the Loan Agreement as Exhibit M – "Form of Construction Disbursement and Monitoring Agreement" which is to be entered into by the parties at the time of execution and delivery of the guaranteed maximum price contract for the Cogeneration Facility Project Work and the Emergency Department Project Work, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Continuation Action(s) shall have the meaning set forth in Section 7.07(c) of the Indenture.

Contractor(s) shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Control or **Controls**, including the related terms "controlled by" and "under common control with", shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

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

Covered Counterparty has the meaning specified in Section 8.30(b) of the Loan Agreement.

Covered Employer has the meaning specified in Section 8.30(b) of the Loan Agreement.

Days Cash-on-Hand shall mean for any Semi-Annual Period, (a) the product of (i) the number of days in such Semi-Annual Period, and (ii) the Available Reserves as of the Liquidity Testing Date for such Semi-Annual Period, divided by (b) the sum of the following for such Semi-Annual Period: (i) Total Cash Operating Expenses of the Institution during such Semi-Annual Period, (ii) payments of interest on, and principal of, the Bonds during such Semi-Annual Period, and (iii) payments of interest on, and principal of, all other Indebtedness of the Institution during such Semi-Annual Period.

Days Cash on Hand Requirement shall mean: for each of the Fiscal Years ending December 31, 2018 - 2020, at least thirty (30) Days Cash on Hand as of each Liquidity Testing Date; for Fiscal Year ending December 31, 2021, at least thirty-five (35) Days Cash on Hand as of each Liquidity Testing Date for such Fiscal Year; for the Semi-Annual Periods ending June 30 and December 31, 2022, at least forty (40) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2023, at least forty-five (45) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2024, at least fifty (50) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2025, at least fifty-five (55) Days Cash on Hand and for each Semi-Annual Period from the Semi-Annual Period ending June 30, 2026 through the date of final maturity of the Bonds (or earlier date of redemption of the last outstanding Bond), at least sixty (60) Days Cash on Hand.

DCA has the meaning specified in Section 8.30(b) of the Loan Agreement.

Debt Service Coverage Ratio shall mean for a Semi-Annual Period, the ratio determined by dividing (i) a numerator equal to Cash Available for Debt Service during such Semi-Annual Period, by (ii) a denominator equal to the required payments during such Semi-Annual Period of principal of and interest on all Indebtedness of the Institution other than Short-Term Indebtedness incurred in accordance with Section 8.31(d) of the Loan Agreement (but including Capital Leases).

Debt Service Coverage Ratio Requirement means for the Semi-Annual Period ending June 30, 2022, a Debt Service Coverage Ratio of at least 1.20:1 and for the Semi-Annual Period ending December 31, 2022 and for each Semi-Annual Period thereafter through the date of final maturity of the Bonds (or earlier date of redemption of the last outstanding Bond), a Debt Service Coverage Ratio of at least 1.30:1.

Debt Service Requirement shall mean for any date of determination, when used with respect to any particular Indebtedness, the aggregate of the payments to be made in respect of principal and interest on such Indebtedness, for a particular Fiscal Year.

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

Debt Service Reserve Requirement shall mean:

(i) with respect to the Series 2018A Bonds, as of any date of determination an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2018A Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2018A Bonds; or (C) one hundred twenty-five (125%) of

the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2018A Bonds;

(ii) with respect to the Series 2018B Bonds, as of any date of determination, an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2018B Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2018B Bonds; or (C) one hundred twenty-five (125%) of the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2018B Bonds;

(iii) with respect to the Series 2022 Bonds, as of any date of determination an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2022 Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2022 Bonds; or (C) one hundred twenty-five (125%) of the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2022 Bonds; and

(iv) with respect to Additional Bonds, such amount is set forth in a Supplemental Indenture with respect to such Additional Bonds.

Debt Service Reserve Fund Valuation Date shall mean the end of each Fiscal Year.

Default shall mean an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

Default Rate shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (c) with respect to the Series 2022 Bonds, the lesser of (i) the rate of 11.50% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; and (d) with respect to a Series of Additional Bonds, such rate as set forth in a Supplemental Indenture with respect to such Series of Additional Bonds.

Defaulted Interest shall have the meaning specified in Section 2.02(g) of the Indenture (or the corresponding provision of any Supplemental Indenture).

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

Determination of Taxability shall mean:

(i) (A) the adoption, promulgation or enactment of any federal statute or regulation, or any determination, decision, decree or ruling made by the Commissioner or any District Director of the Internal Revenue Service;

(B) the issuance of a public or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Institution has participated or has been given the opportunity to participate, and which ruling or

memorandum the Institution, in its discretion, does not contest or from which no further right of judicial review or appeal exists;

(C) a determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Institution has participated or has been a party, or has been given the opportunity to participate or be a party; or

(D) the admission in writing by the Institution;

in any case, to the effect that the interest payable on the Bond of a Holder or a former Holder thereof is includable in gross income for federal income tax purposes; or

(ii) the receipt by the Trustee of a written opinion of Nationally Recognized Bond Counsel to the effect that the interest payable on the Bonds is includable in gross income for federal income tax purposes or the refusal of any such counsel to render a written opinion that the interest on the Bonds is not so includable when required pursuant to a request by a Bondholder in accordance with the procedures set forth in the Indenture;

provided, however, that no such Determination of Taxability described in clauses (i)(B) or (i)(C) hereof shall be considered to exist unless (1) the Holder or Beneficial Owner or former Holder or Beneficial Owner of the Bond involved in such proceeding (a) gives the Institution and the Trustee prompt notice of the commencement thereof and (b) (if the Institution agrees to pay all expenses in connection therewith) offers the Institution the opportunity to control the defense thereof and (2) either (a) the Institution does not agree within thirty (30) days of receipt of such offer to pay such expenses and to control such defense or (b) the Institution shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Institution determines to be appropriate. The Bondholder Representative, a Bondholder or a Beneficial Owner shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (ii) above, at the expense of the Institution, upon delivery by the Bondholder or the Beneficial Owner to the Institution of a letter from the Bondholder's or the Beneficial Owner's accountant stating that, in his or her reasonable opinion, interest on the Bonds is includable in the gross income of such Bondholder or Beneficial Owner for federal income tax purposes and stating the reasons for such determination. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of alternative minimum taxes or indirect taxes.

Disbursement Date shall mean first (1st) day of each quarter, or the immediately succeeding Business Day if such day is not a Business Day, or at such other time or times during each month as may be agreed to by the Issuer and the Trustee.

Distribution Date shall mean October 15 of each year.

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

Draw-Down Date shall mean the Closing Date and such subsequent dates on which a draw-down for the Bonds shall occur, provided, however, that (i) subsequent Draw-Down Dates shall not occur more frequently than once per quarter, (ii) subsequent Draw-Down Dates shall not occur any earlier than fifteen (15) days after the immediately preceding Draw-Down Date, (iii) no subsequent Draw-Down Date shall occur after December 1, 2020 and (iv) on each subsequent Draw-Down Date after the Closing

Date, the total draw-down amount shall not be less than (a) $10,000,000 with respect to the Series 2018A Bonds and (b) $2,000,000 with respect to the Series 2018B Bonds.

DTC shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

Due Date shall have the meaning set forth in Section 9.9(a) of the Loan Agreement.

Earnings Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Elevator Project Work shall mean (i) the elevator replacement and/or upgrades at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Emergency Department Project Work shall mean (i) the design, construction, furnishing and equipping of a state-of-the-art emergency department increasing the existing emergency department from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Employment Information shall have the meaning set forth in Section 8.7(c) of the Loan Agreement.

Entity shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

Environmental Audit shall mean that certain Phase I Environmental Site Assessment Report dated October 17, 2017, prepared by the Environmental Auditor.

Environmental Auditor shall mean RSB Environmental.

Environmental Indemnity Agreement shall mean the Environmental Indemnity Agreement, dated as of the December 1, 2018, by and among the Institution, the Trustee and the Bondholder Representative, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Estimated Project Cost shall mean (i) with respect to the Series 2018 Bonds, $87,249,037.11, and (ii) with respect to the Series 2022 Bonds, $36,108,095.

Event of Default shall have the meaning specified in Section 8.01(a) of the Indenture and Section 9.1 of the Loan Agreement.

Event of Taxability shall mean the date specified in a Determination of Taxability as the date interest paid or payable on any Bond becomes includable for federal income tax purposes in the gross income of any Holder or Beneficial Owner thereof as a consequence of any act, omission or event

whatsoever, including any change of law, and regardless of whether the same was within or beyond the control of the Institution.

Existing Facility Property shall have the meaning set forth in Section 3.5(a) of the Loan Agreement.

Expansion and Renovation Project Work shall mean (i) hospital expansions, renovations and equipment to be located on the Institution's Campus, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Series 2022 Facility Personalty and any work required to install same.

Facility shall mean, the Series 2018 Facility, the Series 2022 Facility and any facility set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

Facility Personalty shall mean, the Series 2018 Facility Personalty, the Series 2022 Facility Personalty and any facility personalty set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

Facility Realty shall mean, the Series 2018 Facility Realty, the Series 2022 Facility Realty and any facility realty set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

Final Project Cost Budget shall mean the Series 2018 Final Project Cost Budget, the Series 2022 Final Project Cost Budget and any final project cost budget set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

First Amendment to Completion Guaranty shall mean the First Amendment to Completion Guaranty dated as of June 1, 2022, by the Institution for the benefit of the Trustee and the Bondholder Representative, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

First Amendment to Construction Disbursement and Monitoring Agreement shall mean the First Amendment to Construction Disbursement and Monitoring Agreement, dated as of June 1, 2022, by and among the Institution, the Trustee and Preston Hollow Capital, LLC, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

First Amendment to Environmental Indemnity Agreement shall mean the First Amendment to Environmental Indemnity Agreement, dated as of June 1, 2022, by the Institution for the benefit of the Trustee and the Bondholder Representative, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

First Loan Agreement Amendment shall mean the First Loan Agreement Amendment dated as of June 1, 2022, by and between the Issuer and the Institution.

First Supplemental Indenture shall mean the First Supplemental Indenture of Trust dated as of June 1, 2022, by and between the Issuer and the Trustee.

Fiscal Year shall mean a year of 365 or 366 days, as the case may be, commencing on January 1 and ending on December 31 of the next calendar year, or such other fiscal year of similar length

used by the Institution for accounting purposes as to which the Institution shall have given prior written notice thereof to the Issuer, the Bondholder Representative and the Trustee at least ninety (90) days prior to the commencement thereof.

Fitch shall mean Fitch, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Fixed Date Deliverables shall have the meaning set forth in Section 9.9(a)(ii) of the Loan Agreement.

GAAP shall mean those generally accepted accounting principles and practices that are recognized as such by the American Institute of Certified Public Accountants or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof, and that are consistently applied for all periods, so as to properly reflect the financial position of the Institution, except that any accounting principle or practice required to be changed by the Financial Accounting Standards Board (or other appropriate board or committee of the said Board) in order to continue as a generally accepted accounting principle or practice may be so changed.

GC shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Governing Body shall mean, when used with respect to any Entity, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Entity are exercised.

Government Obligations shall mean the following:

(i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above.

Grant Proceeds shall mean the proceeds of any grant provided to the Institution by the City or the State or any instrumentality of either.

Gross Revenues shall mean all receipts, revenues, income and other moneys received by or on behalf of the Institution, including, but without limiting the generality of the foregoing, revenues derived from the ownership or operation of all real or personal property owned by the Institution including but not limited to the Facility, casualty insurance and condemnation proceeds (to the extent not transferred to the Renewal Fund pursuant to Section 6.2 of the Loan Agreement) with respect to all real or personal property owned by the Institution including but not limited to the Facility or any portion thereof, and all rights to receive the same (including amounts retained by Institution under Section 3.5(a) of the Loan Agreement), whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; provided,

however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Indebtedness) and the income derived therefrom to the extent required by such designation or specification shall be excluded from Gross Revenues.

Hazardous Materials shall mean any substance or material that is now or in the future included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "pollutant," "contaminant," "hazardous waste," or "universal waste," or in any Hazardous Materials Law, including (a) petroleum or petroleum derivatives, including crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products or waste, and waste water, (b) asbestos and asbestos-containing materials (whether friable or non-friable), (c) polychlorinated biphenyls, (d) urea formaldehyde, (e) lead and lead based paint or other lead containing materials (whether friable or non-friable), (f) microbiological pollutants, (g) batteries or liquid solvents or similar chemicals, (h) radon gas, and (i) pesticides and pesticide contaminated materials. The term "Hazardous Materials" shall not include (i) chemicals, lubricants, refrigerants, batteries and other substances kept in amounts typical for, and used as, standard janitorial supplies, office and household supplies, and the like in connection with the routine maintenance and operation of facilities similar to the Facility, to the extent kept, used and maintained in strict compliance with all such applicable Hazardous Materials Laws, (ii) gasoline, oil and other automotive products kept and used in an ordinary manner in or for the use of motor vehicles at the Project, or (iii) any substance or material that would otherwise be a Hazardous Material in environmental media (air, soil or water) in concentrations that does not require release reporting, monitoring or investigation under Hazardous Materials Laws or removal or remediation of under Hazardous Materials.

Hazardous Materials Laws shall mean any and all applicable statutes, terms, conditions, limitations, restrictions, regulations, standards, prohibitions, obligations, schedules, plans, and timetables that are contained in or promulgated pursuant to any federal, state or local laws, whether existing now or hereinafter enacted, relating to pollution or the protection of the environment, including laws relating to emissions, discharges, releases, or threatened releases of Hazardous Materials into ambient or indoor air, surface water, ground water, drinking water, lands (including the surface and subsurface thereof), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, refinement, production, disposal, transport, or handling of Hazardous Materials, including the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA), 42 U.S.C. 9601 et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), 42 U.S.C. 6901 et seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., and the Safe Drinking Water Act, 42 U.S.C. § 300f et seq. "Hazardous Materials Laws" shall not include laws relating to industrial hygiene or worker safety, except to the extent that such laws address asbestos and asbestos-containing materials (whether friable or non-friable) or lead and lead-based paint or other lead containing materials.

Impositions shall have the meaning set forth in Section 8.17(a) of the Loan Agreement.

Indebtedness shall mean (a) all obligations of the Institution for borrowed money, (b) all obligations of the Institution evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, or obligations to bonding companies, (c) all obligations of the Institution as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of the Institution, irrespective of whether such obligation or liability is assumed, (e) all obligations of the Institution to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices and, for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses), and (f)

any obligation of the Institution guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (e) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such guaranty, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation

Indemnification Commencement Date shall mean (i) in the case of the Series 2018 Bonds, November 7, 2018, the date on which the Issuer first adopted a resolution with respect to the Series 2018 Project, (ii) in the case of the Series 2022 Bonds, January 18, 2022, the date on which the Issuer first adopted a resolution with respect to the Series 2022 Project, and (iii) in the case of a Series of Additional Bonds, the date on which the Issuer first adopts a resolution with respect to the project related to such Series of Additional Bonds.

Indemnified Parties shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Indenture shall mean the Indenture of Trust, dated as of December 1, 2018, between the Issuer and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XII of the Indenture.

Independent Accountant shall mean Baker Tilly Virchow Krause, LLP, its successors and assigns, or another independent certified public account or firm of independent certified public accountants selected by the Institution and approved by the Issuer and the Trustee (such approvals not to be unreasonably withheld or delayed).

Independent Engineer shall mean a Person (not an employee of either the Issuer or the Institution or any Affiliate of either thereof) registered and qualified to practice engineering or architecture under the laws of the State, selected by the Institution, and approved in writing by the Trustee (which approval shall not be unreasonably withheld and shall be given at the direction of the Bondholder Representative, if any).

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

Initial Annual Administrative Fee shall mean $1,250.

Initial Bondholder shall mean the Series 2018 Initial Bondholder, the Series 2022 Initial Bondholder or any initial bondholder set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

Initial Bonds shall mean collectively, the Series 2018A Bonds and the Series 2018B Bonds.

Institution shall mean Richmond Medical Center, (d/b/a Richmond University Medical Center) a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Code, organized and existing under the laws of the State of New York, and its successors and assigns.

Institution Documents shall mean, collectively, the Loan Agreement, the Building Loan Agreement, the Mortgage, the Environmental Indemnity Agreement, the Completion Guaranty, the Agreement to Advance, the Promissory Note, the Tax Certificate, the Construction Disbursement and Monitoring Agreement, the Series 2022 Agreement to Advance and any other Project Documents to which the Institution is a party, each as may be amended from time to time.

Institution's Property shall have the meaning specified in Section 3.4(c) of the Loan Agreement.

Insured shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Insurer shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

Interest Payment Date shall mean, (i) with respect to the Series 2018 Bonds, semi-annually on June 1 and December 1 of each year, commencing June 1, 2019; (ii) with respect to the Series 2022 Bonds (a) during the Series 2022 Draw-Down Period, monthly on the first calendar day of each month, commencing August 1, 2022 and (b) thereafter, semi-annually on June 1 and December 1 of each year; and (iii) with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

IRS Determination Letter shall mean that certain ruling letter dated July 19, 2007 issued by the Internal Revenue Service to the Institution confirming that the Institution is a Tax-Exempt Organization.

ISO shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

ISO Form CG-0001 shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Issuer shall mean Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and its successors and assigns.

Issuer's Reserved Rights shall mean, collectively,

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement or the Indenture;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement or the Indenture;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the Institution under the Loan Agreement to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Institution under the Loan Agreement with respect to ensuring that the Facility shall always constitute the Approved Facility;

(v) Reserved;

(vi) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under the following Articles and Sections of the Loan Agreement: Article III (except for Section 3.1), Sections 4.4, 4.5 and 4.6, Article V, Article VI, Article VIII (except for Section 8.26), Article IX, Article X and Sections 11.1, 11.3 and 11.5, and Article XII (except Section 12.2); and

(vii) the right of the Issuer in its own behalf to declare a default with respect to any of the Issuer's Reserved Rights and exercise the remedies set forth in Section 9.2(b) of the Loan Agreement.

Kroll shall mean Kroll Bond Rating Agency, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Kroll" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Legal Requirements shall mean the Constitutions of the United States and the State of New York and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates of occupancy, directions and requirements (including zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wage, living wage, prevailing wage, sick leave, healthcare, benefits and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including those of the City, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the Institution, (ii) the Facility or any part thereof, or (iii) any use or condition of the Facility or any part thereof.

Letter of Representation and Indemnity Agreement shall mean the Series 2018 Letter of Representation and Indemnity Agreement, the Series 2022 Letter of Representation and Indemnity Agreement and any letter of representation and indemnity agreement delivered in connection with a Series of Additional Bonds, as applicable.

Liability shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Lien or **Liens** shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement, any judgment, decree, order, levy or process of any court or governmental body entered, made or issued and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

Liquidity Testing Date shall mean (a) for each Semi-Annual Period ending June 30, such June 30, and (b) for each Semi-Annual Period ending on December 31, such December 31.

Liquidity to Debt Ratio shall mean, as any date of determination, the ratio determined by dividing (a) a numerator equal to Available Reserves by (b) a denominator equal to the principal amount of all Indebtedness of the Institution outstanding on the date of determination and the principal amount of the additional Indebtedness proposed to be incurred.

Loan or **Loans** shall mean the loan(s) made by the Issuer to the Institution pursuant to the Loan Agreement as described in Section 4.1 of the Loan Agreement.

Loan Agreement or **Agreement** shall mean the Loan Agreement, dated as of December 1, 2018, between the Issuer and the Institution, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Loan Payment Date shall mean the twentieth (20th) day of each month (or, if the twentieth (20th) day shall not be a Business Day, the immediately preceding Business Day).

Loss Event shall have the meaning specified in Section 6.1 of the Loan Agreement.

LW has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Agreement has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Agreement Delivery Date has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Event of Default has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Law has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Term has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Violation Final Determination has the meaning specified in Section 8.30(k)(i)(1), Section 8.30(k)(i)(2)(A) or Section 8.30(k)(i)(2)(B) of the Loan Agreement, as applicable.

LW Violation Initial Determination has the meaning specified in Section 8.30(k)(i)(2) of the Loan Agreement.

LW Violation Notice has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

LW Violation Threshold has the meaning specified in Section 8.30(b) of the Loan Agreement.

Majority Holders shall mean the Beneficial Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, or, if the Bonds shall cease to be in book-entry form, the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding.

Maturity Date shall mean, with respect to a Series of Bonds, the date of final maturity of such Series of Bonds.

Maximum Annual Debt Service shall mean at the time of calculation, with respect to any particular Indebtedness, the largest Debt Service Requirement for the current or any future Fiscal Year, which calculation shall not include, for a particular series of Bonds, the final payment on such series of

Bonds to the extent moneys are available therefor at such time of calculation in the applicable Debt Service Reserve Fund for such series of Bonds.

Merge or **Merger** shall have the meaning specified in Section 8.20(a)(v) of the Loan Agreement.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Mortgage shall mean collectively, the Series 2018 Mortgage, the Series 2022 Mortgage, the Series 2018 Collateral Mortgage and the Series 2022 Collateral Mortgage, as applicable.

Mortgaged Property shall mean the Series 2018 Mortgaged Property, the Series 2022 Mortgaged Property, the Series 2018 Collateral Mortgaged Property and the Series 2022 Collateral Mortgaged Property, as applicable.

Mortgage Restructuring shall have the meaning set forth in Section 8.12 of the Indenture.

Nationally Recognized Bond Counsel shall mean Katten Muchin Rosenman LLP or other counsel acceptable to the Issuer and the Trustee and experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

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

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

Notification of Failure to Deliver shall have the meaning specified in Section 9.9(b) of the Loan Agreement.

NYCDOF shall mean the New York City Department of Finance.

NYCEDC shall mean New York City Economic Development Corporation, a New York not-for-profit corporation, and any successor thereof.

NYCIDA shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Operating Room Project Work shall mean (i) the design, construction and/or renovation of the operating room handler at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Opinion of Counsel shall mean a written opinion of counsel for the Institution or any other Person (which counsel shall be reasonably acceptable to the Bondholder Representative, the Issuer and the Trustee) with respect to such matters as required under any Project Document or as the Bondholder Representative, the Issuer or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Bondholder Representative, the Issuer and the Trustee.

Organizational Documents shall mean, (i) in the case of an Entity constituting a limited liability company, the articles of organization or certificate of formation, and the operating agreement of such Entity, (ii) in the case of an Entity constituting a corporation, the charter, articles of incorporation or certificate of incorporation, and the bylaws of such Entity, and (iii) in the case of an Entity constituting a general or limited partnership, the partnership agreement of such Entity.

Original Indenture shall mean the Indenture of Trust dated as of December 1, 2018, by and between the Issuer and the Trustee.

Original Loan Agreement shall mean the Loan Agreement dated as of December 1, 2018, by and between the Issuer and the Institution.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) any Bond (or portion of a Bond) deemed to have been paid in accordance with Section 11.01(b) of the Indenture.

(iii) Bonds in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Indenture,

provided, however, that in determining whether the Holders or Beneficial Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any other Security Document, Bonds owned by the Institution or any Affiliate of the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Institution or any Affiliate of the Institution.

Owed Interest has the meaning specified in Section 8.30(b) of the Loan Agreement.

Owed Monies has the meaning specified in Section 8.30(b) of the Loan Agreement.

Parking Lot Project Work shall mean (i) the design and construction of the new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Participants shall mean those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other Entity which may at any time be substituted in its place pursuant to the Indenture.

Per Diem Fees shall mean, collectively, the Per Diem Late Fee and the Per Diem Supplemental Late Fee.

Per Diem Late Fee shall mean that per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors) and that have not (x) paid to the Issuer the Annual Administrative Fee on the date required under Section 8.3 of the Loan Agreement, (y) delivered to the Issuer all or any of the Fixed Date Deliverables on the respective dates required under Section 8.14 or 8.16 of the Loan Agreement, and/or (z) delivered to the Issuer all or any of the Requested Document Deliverables under Section 8.15 of the Loan Agreement within five (5) Business Days of the Issuer having made the request therefor.

Per Diem Supplemental Late Fee shall mean that supplemental per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from general applicability as may be established by the Issuer's Board of Directors).

Permitted Encumbrances shall mean:

(i) Liens in favor of the Trustee created by the Mortgage, the Building Loan Agreement and any other Project Document;

(ii) Liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not yet due and payable;

(iii) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien, security interest, encumbrance or charge or right in respect thereof, placed on or with respect to the Facility or any part thereof, if payment is not yet due and payable, or if such payment is being disputed pursuant to Section 8.11(b) of the Loan Agreement;

(iv) utility, access and other easements and rights of way, restrictions and exceptions that are apparent from a search of the real estate records applicable to the Mortgaged Property, or from an accurate survey, and which do not materially interfere with or impair the Institution's use and enjoyment of the Facility as provided in the Loan Agreement;

(v) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement) insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee;

(vi) Liens arising by reason of good faith deposits with the Institution in connection with the tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Institution to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges, but only with respect to the property tendered or deposited;

(vii) any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements, but only with respect to the property deposited;

(viii) any judgment Lien against the Institution, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed by the posting of a bond the payment of which would not give rise to a Lien;

(ix) any purchase money security interest in movable personal property, including equipment leases and financing not to exceed the limitations on incurrence of such indebtedness set forth in the Project Documents;

(x) any lien, security interest, encumbrances or charge to which the Trustee shall consent in writing (and given at the direction of the Bond Representative or, if there is no Bondholder Representative, the Majority Holders); and

(xi) a lien, restrictive declaration or performance mortgage with respect to the operation of the Facility arising by reason of a grant or other funding received by the Institution from the City, State or any governmental agency or instrumentality (including, without limitation, New York City Economic Development Corporation.)

Permitted Indebtedness shall have the meaning specified in Section 8.31 of the Loan Agreement.

Person shall mean an individual or any Entity.

Policy(ies) shall have the meaning specified in Section 8.1(a) of the Loan Agreement.

Predecessor Institution shall have the meaning set forth in 8.20 of the Loan Agreement.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

Principals shall mean, with respect to any Entity, the most senior three officers of such Entity, any Person with a ten percent (10%) or greater ownership interest in such Entity or any Person as shall have the power to Control such Entity, and "principal" shall mean any of such Persons.

Project shall mean, the Series 2018 Project, the Series 2022 Project and any project set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

Project Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Project Application Information shall mean the eligibility application and questionnaire submitted to the Issuer by or on behalf of the Institution, for approval by the Issuer of the Project and the providing of financial assistance by the Issuer therefor, together with all other letters, documentation, reports and financial information submitted in connection therewith

Project Completion Date shall mean the Series 2018 Project Completion Date, the Series 2022 Project Completion Date and any project completion date set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

Project Cost Budget shall mean the Series 2018 Project Cost Budget, the Series 2022 Project Cost Budget, and any project cost budget set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

Project Costs shall mean:

(i) all costs of engineering and architectural services with respect to the Project, including the cost of test borings, surveys, estimates, permits, plans and specifications and for supervising demolition, construction and renovation, as well as for the performance of all other duties required by or consequent upon the proper construction of, and the making of alterations, renovations, additions and improvements in connection with, the completion of the Project;

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

(iii) the interest on the Bonds during the construction and renovation of the Project;

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

(v) the cost of acquisition of the Facility Realty;

(vi) all costs of title insurance as provided in Section 3.7 of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement);

(vii) the payment of the Costs of Issuance with respect to the Bonds;

(viii) the payment of the fees and expenses of the Trustee during the period of construction and renovation of the Project;

(ix) all costs which the Institution shall be required to pay, under the terms of any contract or contracts, for the completion of the Project, including any amounts required to reimburse the Institution for advances made for any item otherwise constituting a Project Cost or for any other costs incurred and for work done which are properly chargeable to the Project; and

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

"Project Costs" shall not include (i) fees or commissions of real estate brokers, (ii) moving expenses, or (iii) operational costs.

Project Documents shall mean, collectively, the Institution Documents, the Security Documents, and any other agreement, contract, document or instrument executed by the Institution in connection with any Institution Document or Security Document.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Project Work shall mean the Series 2018 Project Work, the Series 2022 Project Work and any project work set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

Promissory Note shall mean, (i) with respect to the Initial Bonds, that certain Promissory Note in substantially the form of Exhibit H to the Loan Agreement, (ii) with respect to any Series of Additional Bonds, that certain Promissory Note in substantially the form of any related Exhibit to an amendment to the Loan Agreement, and (iii) with respect to the Bonds, collectively, those certain Promissory Notes described in clauses (i) and (ii) above, and shall include in each case any and all amendments thereof and supplements thereto made in conformity with the Loan Agreement and the Indenture.

Qualified Investments shall mean any of the following which at the time of investment are legal investments under the laws of the State of New York for funds held by the Trustee:

(i) Government Obligations

(ii) commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from S&P and Moody's, of A1 and P1, respectively;

(iii) repurchase and reverse repurchase agreements collateralized with Government Obligations, including those of the Trustee or any of its affiliates;

(iv) investments in money market mutual funds having a rating at time of investment in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(v) demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, rated in the AA long-term ratings category or higher by S&P or Moody's or which are fully FDIC-insured;

(vi) direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's or S&P;

(vii) direct and general short-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in the highest rating category by Moody's and S&P;

(viii) other obligations, interest on which is excludable from gross income for purposes of federal income taxation, which are rated in the two highest rating categories by S&P and Moody's; and

(ix) investment agreements, including guaranteed investment contracts, repurchase agreements and forward delivery agreements, that are obligations of an entity rated, or whose obligations are rated, or guaranteed by an entity which is rated or whose obligations are rated, (at the time the investment is entered into) not lower than A3 by Moody's or its equivalent from another Rating Agency.

Qualified Workforce Program has the meaning specified in Section 8.30(b) of the Loan Agreement.

Rating Agency shall mean any of S&P, Moody's, Fitch or Kroll and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds.

Rating Category shall mean one of the generic rating categories of a Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rebate Amount shall have the meaning assigned to that term in the Tax Certificate.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Record Date shall mean, with respect to any Interest Payment Date for the Bonds, the close of business on the fifteenth (15th) day of the month next preceding such Interest Payment Date, or, if such day is not a Business Day, the next preceding Business Day.

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

Redemption Date shall mean the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Refunding Bonds shall have the meaning assigned to that term in Section 2.07(c) of the Indenture.

Related Security Documents shall mean all Security Documents other than the Indenture.

Renewal Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Representations Letter shall mean the Blanket Issuer Letter of Representations from the Issuer to DTC.

Requested Document Deliverables shall have the meaning set forth in Section 9.9(a) of the Loan Agreement.

Required Disclosure Statement shall mean that certain Required Disclosure Statement in the form of Exhibit F — "Form of Required Disclosure Statement" attached to the Loan Agreement.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in the Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

Restricted Funds shall mean funds derived from any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to one or more particular purposes.

Roof Project Work shall mean (i) the roof repair and/or replacement at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

S&P shall mean S&P Global Ratings Inc., a corporation organized and existing under the laws of the State, its successors and assigns, and if such limited liability company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

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

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Securities Exchange Act shall mean the Securities Exchange Act of 1934, as amended, together with any rules and regulations promulgated thereunder.

Security Document Action shall have the meaning set forth in Section 8.12 of the Indenture.

Security Documents shall mean, collectively, the Loan Agreement, the Promissory Note, the Indenture, the Tax Certificate, the Building Loan Agreement, the Mortgage, the Environmental Indemnity Agreement and the Completion Guaranty.

Semi-Annual Period(s) means (a) the period commencing on January 1 of a Fiscal Year and ending on June 30 of such Fiscal Year, and (b) the period commencing on July 1 of a Fiscal Year and ending on December 31 of such Fiscal Year.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series 2018 Bonds shall mean collectively, the Series 2018A Bonds and the Series 2018B Bonds.

Series 2018 Building Loan Agreement shall mean the Building Loan Agreement, dated as of December 1, 2018, by and among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Loan Agreement and the Indenture.

Series 2018 Collateral Mortgage shall mean the Collateral Mortgage and Security Agreement, dated as of June 1, 2022, from the Institution to the Trustee, for the benefit of the Holders of the Series 2018 Bonds, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2018 Collateral Mortgaged Property shall mean 657 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 475), 669 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 2), 800/812 Castleton Avenue, Staten Island, New York 10310 (Block 153, Lot 1 (f/k/a Lots 1, 6, 7, 8 and 11)) and 267P Kissel Avenue, Staten Island, New York 10310 (Block 101, Lot 20).

Series 2018 Completion Deadline shall mean:

(i) October 1, 2019 for the Parking Lot Project Work;
(ii) June 1, 2020 for the Operating Room Project Work;
(iii) August 1, 2020 for the Cogeneration Facility Project Work;
(iv) June 1, 2021 for the Elevator Project Work;
(v) July 1, 2021 for the Emergency Department Project Work; and
(vi) November 1, 2021 for the Roof Project Work.

Series 2018 Facility shall mean, collectively, the Series 2018 Facility Personalty and the Series 2018 Facility Realty.

Series 2018 Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Series 2018 Bonds for installation or use at the Series 2018 Facility Realty as part of the Series 2018 Project pursuant to Section 3.2 of the Loan Agreement and described in Exhibit B - "Description of the Facility Personalty" attached to the Indenture and to the Loan Agreement, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Series 2018 Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Series 2018 Facility Personalty and exclude all items of Series 2018 Facility Personalty so substituted for or replaced, and further exclude all items of Series 2018 Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

Series 2018 Facility Realty shall mean the parcels located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York as described in Exhibit A – "Description of the Facility Realty" in the appendices to the Indenture and to the Loan Agreement (and shall include the parcels located at 737-741 Castleton Avenue, Staten Island, New York, to the extent such parcels are acquired and made subject to the Mortgage pursuant to Section 8.42 and Section 8.43 of the Loan Agreement), and all rights or interest therein or appertaining thereto, together with all structures, buildings, 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 3.2 of the Loan Agreement), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto.

Series 2018 Final Project Cost Budget shall mean that certain budget of costs paid or incurred for the Series 2018 Project to be submitted by the Institution pursuant to Section 3.2(f) of the Loan Agreement upon completion of the Series 2018 Project.

Series 2018 Initial Bondholder shall mean Preston Hollow Capital, LLC.

Series 2018 Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Series 2018 Bonds.

Series 2018 Mortgage shall mean, collectively, the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan), each dated as of December 1, 2018, and each from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2018 Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1) and 288 Kissel Avenue, Staten Island, New York 10310 (Block 102, Lot 262).

Series 2018 Project shall mean the financing and/or refinancing of (a) the design, construction, furnishing, and equipping of a state-of-the-art Emergency Department ("ED") increasing the existing ED from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway; (b) the design and construction of a new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York; (c) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York which will be used to provide electrical energy to the Institution; (d) the infrastructure improvements, including, but not limited to, elevator upgrades and roof repair and replacement, with respect to various buildings located at 355 Bard Avenue, Staten Island, New York; (e) the existing taxable loans that were used to finance certain psychiatric facilities and robotic surgery equipment at 355 Bard Avenue and the renovation, furnishing and equipping of an existing approximately 68,000 square foot residential building located on an approximately 82,000 square foot parcel of land located at 288 Kissel Avenue, Staten Island, New York, which is primarily used to provide, among other things, employee housing to interns and residents in Institution's physician graduate education program; (f) a debt service reserve fund; and (g) certain costs related to the issuance of the Series 2018 Bonds.

Series 2018 Project Completion Date shall mean the date by which all of the following conditions have been satisfied: (i) the Issuer shall have received a signed and complete certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit G – "Form of

Project Completion Certificate" attached to the Loan Agreement, together with all attachments required thereunder, (ii) the Series 2018 Project Work shall have been finished and shall have been completed substantially in accordance with the plans and specifications therefor, (iii) if required, the Issuer shall have received a copy of a certificate of occupancy, a temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection issued by the New York City Department of Buildings, from the Institution, (iv) there shall be no certificate, license, permit, authorization, written approval or consent or other document required to permit the occupancy, operation and use of the Series 2018 Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature, and (v) the Series 2018 Facility shall be ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines.

Series 2018 Project Cost Budget shall mean that certain budget for costs of the Series 2018 Project Work as set forth by the Institution in Exhibit E — "Project Cost Budget" attached to the Loan Agreement.

Series 2018 Project Work shall mean, collectively or individually, as applicable, the Cogeneration Facility Project Work, the Elevator Project Work, the Emergency Department Project Work, the Operating Room Project Work, the Parking Lot Project Work or the Roof Project Work.

Series 2018A Bonds shall mean the Issuer's up to $102,065,000 Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A Bonds, as authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2018A Bonds Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018A Bonds Debt Service Reserve Account shall mean the special trust account of the Debt Service Reserve Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018B Bonds shall mean the Issuer's up to $30,000,000 Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B Bonds, as authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2018B Bonds Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018B Bonds Debt Service Reserve Account shall mean the special trust account of the Debt Service Reserve Fund so designated, established pursuant to Section 5.01 of the Indenture

Series 2022 Advance Direction Letter shall have the meaning set forth in the Series 2022 Agreement to Advance.

Series 2022 Agreement to Advance shall mean the Agreement to Advance, dated as of June 1, 2022, among the Institution, PHCC LLC (d/b/a Preston Hollow Community Capital), as the initial purchaser of the Series 2022 Bonds, and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2022 Bonds shall mean the Issuer's up to $31,160,000 Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022, as authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2022 Bonds Costs of Issuance Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 3.02 of the First Supplemental Indenture.

Series 2022 Bonds Debt Service Reserve Account shall mean the special trust account of the Debt Service Reserve Fund so designated, established pursuant to Section 3.02 of the First Supplemental Indenture.

Series 2022 Bonds Project Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 3.02 of the First Supplemental Indenture.

Series 2022 Building Loan Agreement shall mean the Building Loan Agreement, dated as of June 1, 2022, by and among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Loan Agreement and the Indenture.

Series 2022 Collateral Mortgage shall mean the Collateral Mortgage and Security Agreement, dated as of June 1, 2022, from the Institution to the Trustee, for the benefit of the Holders of the Series 2022 Bonds, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2022 Collateral Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1), 288 Kissel Avenue, Staten Island, New York 10310 (Block 102, Lot 262), 657 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 475), 669 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 2), 800/812 Castleton Avenue, Staten Island, New York 10310 (Block 153, Lot 1 (f/k/a Lots 1, 6, 7, 8 and 11)) and 267P Kissel Avenue, Staten Island, New York 10310 (Block 101, Lot 20).

Series 2022 Completion Deadline shall mean**:**

(i) October 1, 2022 for the Expansion and Renovation Project Work; and
(iii) December 31, 2022 for the Surgical Suite Project Work.

Series 2022 Draw-Down Date shall mean the Closing Date and such subsequent dates on which a draw-down for the Series 2022 Bonds shall occur, provided, however, that (i) subsequent Series 2022 Draw-Down Dates shall not occur more frequently than once per calendar quarter, (ii) subsequent Series 2022 Draw-Down Dates must occur on the first day of a calendar month, (iii) no subsequent Series 2022 Draw-Down Date shall occur after June 1, 2023 and (iv) on each subsequent Series 2022 Draw-Down Date, the amount drawn shall not be less than $1,000,000 with respect to the Series 2022 Bonds.

Series 2022 Draw-Down Period shall mean the period from the Closing Date until the earlier to occur of (a) the Series 2022 Draw-Down Date on which the sum of (i) the aggregate amount of all Bond Proceeds Advances (as defined in the Series 2022 Agreement to Advance) (including the Initial Advance (as defined in the Series 2022 Agreement to Advance)), plus (ii) the aggregate amount of all original issue discount in respect of all Bond Proceeds Advances (including the Initial Advance), is equal to the Authorized Principal Amount, or (b) June 1, 2023.

Series 2022 Facility shall mean, collectively, the Series 2022 Facility Personalty and the Series 2022 Facility Realty.

Series 2022 Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Series 2022 Bonds for installation or use at the Series 2022 Facility Realty as part of the Series 2022 Project pursuant to Section 3.02 of the First Loan Agreement Amendment and described in Exhibit 2 – "Description of the Series 2022 Facility Personalty" attached to the First Supplemental Indenture and to the First Loan Agreement Amendment, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Series 2022 Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Series 2022 Facility Personalty and exclude all items of Series 2022 Facility Personalty so substituted for or replaced, and further exclude all items of Series 2022 Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

Series 2022 Facility Realty shall mean the parcels located at 355 Bard Avenue, Staten Island New York as described in Exhibit 3 – "Description of the Series 2022 Facility Realty" in the exhibits to the First Supplemental Indenture and to the First Loan Agreement Amendment (and shall include the parcels located at 737-741 Castleton Avenue, Staten Island, New York, to the extent such parcels are acquired and made subject to the Mortgage pursuant to Section 8.42 and Section 8.43 of the Loan Agreement), and all rights or interest therein or appertaining thereto, together with all structures, buildings, 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 3.02 of the First Loan Agreement Amendment), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto.

Series 2022 Final Project Cost Budget shall mean that certain budget of costs paid or incurred for the Series 2022 Project to be submitted by the Institution pursuant to Section 3.02(f) of the First Loan Agreement Amendment upon completion of the Series 2022 Project.

Series 2022 Initial Bondholder shall mean PHCC LLC (d/b/a Preston Hollow Community Capital).

Series 2022 Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Series 2022 Bonds.

Series 2022 Mortgage shall mean, collectively, the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan), each dated as of June 1, 2022, and each from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2022 Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1).

Series 2022 Project shall mean the financing of (a) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus; (b) other hospital expansions,

renovations and equipment to be located on the Institution's Campus; (c) a debt service reserve fund; and (d) certain costs related to the issuance of the Series 2022 Bonds.

Series 2022 Project Completion Date shall mean the date by which all of the following conditions have been satisfied: (i) the Issuer shall have received a signed and complete certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit 4 – "Form of Series 2022 Project Completion Certificate" attached to this First Loan Agreement Amendment, together with all attachments required thereunder, (ii) the Series 2022 Project Work shall have been finished and shall have been completed substantially in accordance with the plans and specifications therefor, (iii) if required, the Issuer shall have received a copy of a certificate of occupancy, a temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection issued by the New York City Department of Buildings, from the Institution, (iv) there shall be no certificate, license, permit, authorization, written approval or consent or other document required to permit the occupancy, operation and use of the Series 2022 Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature, and (v) the Series 2022 Facility shall be ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines.

Series 2022 Project Cost Budget shall mean that certain budget for costs of the Series 2022 Project Work as set forth by the Institution in Exhibit 5 – "Series 2022 Project Cost Budget" attached to this First Loan Agreement Amendment.

Series 2022 Project Documents shall mean this First Loan Agreement Amendment, the First Supplemental Indenture, the Promissory Note related to the Series 2022 Bonds, the Tax Certificate related to the Series 2022 Bonds, the Series 2022 Mortgage, the Series 2022 Building Loan Agreement, the First Amendment to Environmental Indemnity Agreement, the First Amendment to Completion Guaranty, the First Amendment to Construction Disbursement and Monitoring Agreement, the Series 2022 Agreement to Advance, the Series 2018 Collateral Mortgage and the Series 2022 Collateral Mortgage.

Series 2022 Project Work shall mean, collectively or individually, as applicable, the Expansion and Renovation Project Work and/or the Surgical Suite Project Work.

Short-Term Indebtedness shall mean any obligation for the repayment of moneys borrowed by the Institution from a Person which matures not later than one (1) year after it is incurred.

Sign shall have the meaning specified in Section 8.5 of the Loan Agreement.

Sinking Fund Installment shall mean an amount so designated and which is established for mandatory redemption on a date certain of the Bonds of any Series of Bonds pursuant to the Indenture. The portion of any such Sinking Fund Installment of a Series of Bonds remaining after the deduction of any amounts credited pursuant to the Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments of such Series of Bonds due on a future date.

Sinking Fund Installment Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

SIR shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Site Affiliates has the meaning specified in Section 8.30(b) of the Loan Agreement.

Site Employee has the meaning specified in Section 8.30(b) of the Loan Agreement.

Small Business Cap has the meaning specified in Section 8.30(b) of the Loan Agreement.

Special Record Date shall have the meaning specified in Section 2.02(g) of the Indenture (or the corresponding provisions of any Supplemental Indenture).

Specified Contract has the meaning specified in Section 8.30(b) of the Loan Agreement.

State shall mean the State of New York.

Substitute Entity shall have the meaning set forth in Section 8.12 of the Indenture.

Successor Institution shall have the meaning specified in Section 8.20(b)(ii) of the Loan Agreement.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Issuer and the Trustee in accordance with Article XII of the Indenture.

Surgical Suite Project Work shall mean (i) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Series 2022 Facility Personalty and any work required to install same.

Tax Certificate shall mean, with respect to a Series of Bonds, the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Code, of the Issuer and the Institution, together with all exhibits and schedules attached thereto, including, but not limited to, the Certificate of the Institution as to 501(c)(3) Status and as to Representations and Information Regarding Tax-Exempt Financing Matters, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

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

Taxable Rate shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (c) with respect to the Series 2022 Bonds, the lesser of (i) the rate of 11.50% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; and (d) with respect to a Series of Additional Bonds, such rate set forth in a Supplemental Indenture with respect to such Series of Additional Bonds.

Termination Date shall mean such date on which the Loan Agreement may terminate pursuant to Article X of the Loan Agreement.

Total Cash Operating Expenses shall mean with respect to the Institution, as of any date of determination, and for the applicable period of determination, total cash operating expenses and capital repair costs for such period, as determined in accordance with GAAP consistently applied, including legal and accounting fees and expenses and the reasonable fees and expenses of Trustee, the fees, expenses and indemnity payment owing to Issuer, including Issuer's fees and expenses, pursuant to the Indenture and Administrative Expenses. The definition "Series 2018 Project Work" shall be added as follows:

Transfer shall have the meaning specified in Section 8.20(a)(iv) of the Loan Agreement.

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

Trust Corpus shall have the meaning set forth in Section 9.07 of the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

U/E shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Underwriter shall mean Cain Brothers, a division of KeyBanc Capital Markets Inc.

Workers' Compensation shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Yield shall have the meaning assigned to such term in the Tax Certificate.

INDENTURE OF TRUST

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

TO

U.S. BANK NATIONAL ASSOCIATION,
a national banking association organized and existing under the laws of the United States of America, having a corporate trust office at 100 Wall Street, 16th Floor, New York, New York 10005, together with any successor trustee at the time serving as such under this Indenture of Trust, as "Trustee"

INDENTURE OF TRUST

Dated as of December 1, 2018

Up to $102,065,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds
(Richmond Medical Center Project), Series 2018A

and

Up to $30,000,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds
(Richmond Medical Center Project), Series 2018B

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS 5

Section 1.01. Definitions 5
Section 1.02. Construction 5

ARTICLE II AUTHORIZATION AND ISSUANCE OF BONDS 6

Section 2.01. Authorized Amount of Bonds; Pledge Effected by this Indenture 6
Section 2.02. Issuance and Terms of the Initial Bonds 6
Section 2.03. Redemption of Initial Bonds 9
Section 2.04. Delivery of Initial Bonds 13
Section 2.05. Execution of Bonds 13
Section 2.06. Authentication 14
Section 2.07. Additional Bonds 14
Section 2.08. CUSIP Numbers 16
Section 2.09. Book Entry Bonds 17

ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS 19

Section 3.01. Date of Bonds 19
Section 3.02. Form and Denominations 19
Section 3.03. Legends 19
Section 3.04. Medium of Payment 19
Section 3.05. Bond Details 20
Section 3.06. Interchangeability, Transfer and Registry 20
Section 3.07. Bonds Mutilated, Destroyed, Stolen or Lost 21
Section 3.08. Cancellation and Destruction of Bonds 21
Section 3.09. Requirements With Respect to Transfers 21
Section 3.10. Bond Registrar 22
Section 3.11. Payments Due on Saturdays, Sundays and Holidays 22

ARTICLE IV APPLICATION OF BOND PROCEEDS 22

Section 4.01. Application of Proceeds of Initial Bonds 22

ARTICLE V CUSTODY AND INVESTMENT OF FUNDS 24

Section 5.01. Creation of Funds and Accounts 24
Section 5.02. Project Fund 25
Section 5.03. Payments into Renewal Fund; Application of Renewal Fund 27
Section 5.04. Payments into Bond Fund 28
Section 5.05. Application of Bond Fund Moneys 29
Section 5.06. Payments into Earnings Fund; Application of Earnings Fund 31
Section 5.07. Payments into Rebate Fund; Application of Rebate Fund 31
Section 5.08. Transfer to Rebate Fund 32
Section 5.09. Investment of Funds and Accounts 32
Section 5.10. Application of Moneys in Certain Funds for Retirement of Bonds 34
Section 5.11. Repayment to the Institution from the Funds 34
Section 5.12. Non-presentment of Bonds 34
Section 5.13. Debt Service Reserve Fund 35

ARTICLE VI REDEMPTION OF BONDS 35

Section 6.01. Privilege of Redemption and Redemption Price 35
Section 6.02. Selection of Bonds to be Redeemed 36
Section 6.03. Notice of Redemption 36
Section 6.04. Payment of Redeemed Bonds 37
Section 6.05. Cancellation of Redeemed Bonds 38

ARTICLE VII PARTICULAR COVENANTS 38

Section 7.01. Payment of Principal and Interest 38
Section 7.02. Performance of Covenants; Authority 38
Section 7.03. Books and Records; Certificate as to Defaults 38
Section 7.04. Loan Agreement 39
Section 7.05. Creation of Liens; Indebtedness 39
Section 7.06. Ownership; Instruments of Further Assurance 39
Section 7.07. Security Agreement; Filing 40
Section 7.08. Issuer Tax Covenant 41

ARTICLE VIII EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS 42

Section 8.01. Events of Default; Acceleration of Due Date 42
Section 8.02. Enforcement of Remedies 43
Section 8.03. Application of Revenues and Other Moneys After Default 44
Section 8.04. Actions by Trustee 45
Section 8.05. Majority Holders or Bondholder Representative Control Proceedings 45
Section 8.06. Individual Bondholder Action Restricted 45
Section 8.07. Effect of Discontinuance of Proceedings 46
Section 8.08. Remedies Not Exclusive 46
Section 8.09. Delay or Omission 46
Section 8.10. Notice of Default 46
Section 8.11. Waivers of Default 46
Section 8.12 Issuer Approval of Certain Non-Foreclosure Remedies 47

ARTICLE IX TRUSTEE, BOND REGISTRAR AND PAYING AGENT 47

Section 9.01. Appointment and Acceptance of Duties of Trustee 47
Section 9.02. Indemnity of Trustee 48
Section 9.03. Responsibilities of Trustee 48
Section 9.04. Compensation of Trustee, Bond Registrar and Paying Agent 49
Section 9.05. Evidence on Which Trustee May Act 49
Section 9.06. Trustee and Paying Agent May Deal in Bonds 50
Section 9.07. Resignation or Removal of Trustee 50
Section 9.08. Successor Trustee 50
Section 9.09. Paying Agents 52
Section 9.10. Appointment of Co-Trustee 52
Section 9.11. Patriot Act 53

ARTICLE X BONDHOLDER REPRESENTATIVE 53

Section 10.01. Appointment of Bondholder Representative 53
Section 10.02. Notices and Reporting Obligations 53
Section 10.03. Limitation of Liability; Indemnification 54
Section 10.04. Permissive Right 54
Section 10.05. Arbitration 54

Section 10.06. Control by Bondholder Representative 54

ARTICLE XI DISCHARGE OF INDENTURE; DEFEASANCE 55

Section 11.01. Defeasance 55
Section 11.02. Defeasance Opinion and Verification 55
Section 11.03. No Limitation of Rights of Holders 56

ARTICLE XII AMENDMENTS OF INDENTURE 56

Section 12.01. Limitation on Modifications 56
Section 12.02. Supplemental Indentures Without Bondholders' Consent 56
Section 12.03. Supplemental Indentures With Bondholders' Consent 57
Section 12.04. Supplemental Indenture Part of this Indenture 59

ARTICLE XIII AMENDMENTS OF RELATED SECURITY DOCUMENTS 59

Section 13.01. Rights of Institution 59
Section 13.02. Amendments of Related Security Documents Not Requiring Consent of Bondholders 59
Section 13.03. Amendments of Related Security Documents Requiring Consent of Bondholders 59

ARTICLE XIV MISCELLANEOUS 60

Section 14.01. Evidence of Signature of Bondholders and Ownership of Bonds 60
Section 14.02. Notices 61
Section 14.03. Parties Interested Herein 62
Section 14.04. Partial Invalidity 62
Section 14.05. Effective Date; Counterparts 62
Section 14.06. Laws Governing Indenture 63
Section 14.07. No Pecuniary Liability of Issuer or Members; No Debt of the State or the City 63
Section 14.08. Priority of Indenture Over Liens 63
Section 14.09. Consent to Jurisdiction 63
Section 14.10. Waiver of Trial by Jury 64
Section 14.11. Legal Counsel; Mutual Drafting 64

EXHIBITS

Appendix A — Definitions of Certain Terms in the Indenture and the Loan Agreement
Exhibit A — Description of the Facility Realty
Exhibit B — Description of the Facility Personalty
Exhibit C — Form of Initial Bond
Exhibit D — Form of Requisition from the Project Fund

INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of the date set forth on the cover page hereof (as the same may be amended and supplemented in accordance with its terms, this "**Indenture**"), by and between **BUILD NYC RESOURCE CORPORATION**, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038, party of the first part, to **U.S. BANK NATIONAL ASSOCIATION**, together with any successor trustee at the time serving as such under this Indenture, having a corporate trust office at 100 Wall Street, 16th Floor, New York, New York 10005, party of the second part (capitalized terms used herein shall have the respective meanings assigned to such terms throughout this Indenture),

WITNESSETH:

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

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

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

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

WHEREAS, as a result of such negotiations, the Institution has requested the Issuer to issue its bonds to finance a portion of the costs of the Project; and

WHEREAS, the Issuer adopted the Bond Resolution authorizing the Project and the issuance of its revenue bonds to finance a portion of the costs of the Project; and

WHEREAS, to facilitate the Project and the issuance by the Issuer of its revenue bonds to finance a portion of the costs of the Project, the Issuer and the Institution have entered into negotiations

pursuant to which (i) the Issuer will make the Loan of the proceeds of the Initial Bonds, in the original aggregate principal amount of the Initial Bonds, to the Institution pursuant to the Loan Agreement, and (ii) the Institution will execute the Promissory Note in favor of the Issuer to evidence the Institution's obligation under the Loan Agreement to repay the Loan, and the Issuer will endorse the Promissory Note to the Trustee; and

WHEREAS, to provide funds for a portion of the costs of the Project and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Initial Bonds, the Issuer has authorized the issuance of the Initial Bonds in the Authorized Principal Amount pursuant to the Bond Resolution and this Indenture; and

WHEREAS, concurrently with the execution hereof, in order to further secure the Initial Bonds, the Institution will grant mortgage liens on and security interests in its fee interests in the Mortgaged Property to the Trustee pursuant to the Mortgage; and

WHEREAS, additional moneys may be necessary to finance the cost of completing the Project, providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, or providing extensions, additions or improvements to the Facility or refunding outstanding Bonds and provision should therefore be made for the issuance from time to time of additional bonds; and

WHEREAS, the Initial Bonds and the Trustee's Certificate to be endorsed thereon are all to be in substantially the form set forth in Exhibit C, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, all things necessary to make the Bonds when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal special limited revenue obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid pledge and assignment of the loan payments, revenues and receipts herein made to the payment of the principal, or Redemption Price of, Sinking Fund Installments for, and interest on the Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS,
THIS INDENTURE WITNESSETH:

That the Issuer in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders and Beneficial Owners thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal, or Redemption Price of, and Sinking Fund Installments for, the Bonds and the indebtedness represented thereby and the interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby grant, bargain, convey, transfer, grant a security interest in, pledge and assign unto the Trustee, and unto its respective successors in trust, and to their respective assigns, for the benefit of the Bondholders and the Beneficial Owners, forever for the securing of the performance of the obligations of the Issuer hereinafter set forth, the following:

GRANTING CLAUSES

I

All right, title and interest of the Issuer in and to the Loan Agreement, including all loan payments, revenues and receipts payable or receivable or pledged thereunder, including but not limited to, Gross Revenues, and the security interest granted pursuant to the Loan Agreement, excluding, however, the Issuer's Reserved Rights, which Issuer's Reserved Rights may be enforced by the Issuer and the Trustee, jointly or severally.

II

All right, title and interest of the Issuer in and to the Promissory Note.

III

All moneys and securities from time to time held by the Trustee under the terms of this Indenture including amounts set apart and transferred to the Earnings Fund, the Project Fund, the Renewal Fund, the Bond Fund, the Debt Service Reserve Fund, or any such special fund in accordance with the provisions of the Loan Agreement and this Indenture; provided, however, there is hereby expressly excluded from any Lien any amounts set apart and transferred to the Rebate Fund.

IV

Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, including, without limitation, all conveyances, mortgages, pledges, assignments and transfers made under the Security Documents and all collateral described therein, by the Issuer or by any other Person, with or without the consent of the Issuer, to the Trustee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said Trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders and Beneficial Owners of the Bonds issued under and secured by this Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any of the others of the Bonds, except as otherwise expressly provided in this Indenture, provided, however, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and any applicable redemption premium, of the Bonds and the interest due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof and shall make the payments into the Bond Fund as required under this Indenture or shall provide, as permitted hereby, for the payment thereof by depositing or causing to be deposited with the Trustee sufficient amounts, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared that, all the Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said loan payments, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Holders and Beneficial Owners, from time to time of the Bonds or any part thereof, as follows, that is to say:

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions**. Capitalized terms shall have the respective meanings specified in Appendix A hereto.

Section 1.02. **Construction**.

(i) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Indenture, refer to this Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the Closing Date.

(ii) 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.

(iii) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(iv) Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(v) Unless the context indicates otherwise, references to designated "Exhibits", "Articles", "Sections", "Subsections", "clauses" and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this Indenture.

(vi) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(vii) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(viii) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein or herein).

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01. **Authorized Amount of Bonds; Pledge Effected by this Indenture.** (a) No Bond may be authenticated and delivered under the provisions of this Indenture except in accordance with this Article and Section 3.07. The total aggregate principal amount of Initial Bonds that may be authenticated and delivered hereunder is limited to the Authorized Principal Amount.

(b) The proceeds of the Bonds deposited in the Project Fund and certain of the loan payments, receipts and revenues payable under the Loan Agreement, including moneys which are required to be set apart, transferred and pledged to the Earnings Fund, to the Bond Fund, to the Debt Service Reserve Fund, to the Renewal Fund, or to certain special funds, including the investments, if any, thereof (subject to disbursements from such Funds in accordance with the provisions of this Indenture) are pledged by this Indenture for the payment of the principal, or Redemption Price (if any) of, Sinking Fund Installments for, and interest on, the Bonds. All such Funds shall be held by the Trustee in trust for the benefit of the Bondholders and Beneficial Owners, and while held by the Trustee constitute part of the Trust Estate and be subject to the Lien hereof. The Rebate Fund (including amounts on deposit therein) shall not be subject to any assignment or Lien in favor of the Trustee or any Bondholder or any other Person. The Bonds shall be the special limited revenue obligations of the Issuer and shall be payable by the Issuer as to the principal, or Redemption Price (if any) of the Bonds, Sinking Fund Installments for the Bonds, and interest on the Bonds only from the Funds, special funds and loan payments, revenues and receipts pledged therefor, subject to the priority set forth herein. The Bonds are additionally secured by a pledge and assignment of the Promissory Note and substantially all of the Issuer's right, title and interest in and to the Loan Agreement (excluding the Issuer's Reserved Rights). In addition, the Institution has granted a mortgage lien on and security interest in its fee and leasehold interest in the Mortgaged Property to the Trustee pursuant to the Mortgage. In no event shall any obligations of the Issuer under this Indenture or the Bonds or under the Loan Agreement or under any other Security Document or related document for the payment of money create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be a special limited revenue obligation of the Issuer secured and payable solely as provided in this Indenture.

Section 2.02. **Issuance and Terms of the Initial Bonds.**

(a) The Initial Bonds in the Authorized Principal Amount shall be issued under and secured by this Indenture. The Initial Bonds shall be issuable in fully registered form without coupons substantially in the form set forth in Exhibit C and shall be dated as provided in Section 3.01.

(b) The Initial Bonds shall mature on the dates and in the principal amounts, as set forth below:

	Maturity Dates	Principal Amount
Series 2018A Bonds	December 1, 2050	Up to $102,065,000
Series 2018B Bonds	December 1, 2050	Up to $30,000,000

(c) Interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the contrary, the

interest rate borne by the Initial Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

The Initial Bonds are being issued as draw-down bonds, in that the Beneficial Owner of the Initial Bonds will purchase the principal amount of the Initial Bonds in installments, at par, in accordance with the terms of and as required by Section 4.01 and the Agreement to Advance. Accordingly, the principal amount of the Initial Bonds which have been purchased by the Beneficial Owner thereof and are Outstanding at any given time may be less than the maximum Authorized Principal Amount of the Initial Bonds as described in the paragraph (b) above. The Trustee shall maintain in its books a record which shall reflect from time to time the purchase of the Initial Bonds in accordance with the provisions of this Indenture, which records shall (i) include the principal amount of the Initial Bonds so purchased, the date of such purchase and the total principal amount of the Initial Bonds then outstanding, and (ii) be conclusive absent manifest error.

(d) If there shall occur, and for so long as there shall continue to exist, an Event of Default (other than by reason of a failure to redeem the Initial Bonds in whole if there shall occur a Determination of Taxability), the rate of interest on the Initial Bonds of each Series shall be the Default Rate for such Series commencing with the date of the occurrence of the Event of Default and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Event of Default. Any former Beneficial Owner who was a Beneficial Owner commencing on or after the date of the occurrence of the Event of Default, but who subsequent to such date sold or otherwise disposed of its Initial Bonds or whose Initial Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Initial Bonds subsequent to the Event of Default and the date upon the Initial Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by such Series of the Initial Bonds prior to the Event of Default and the rate borne by such Series of the Initial Bonds on and subsequent to such date.

(e) If there shall occur a Determination of Taxability, the rate of interest on the Initial Bonds of each Series shall be the Taxable Rate for such Series commencing with the date of the Event of Taxability and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Determination of Taxability. Any former Beneficial Owner who was a Beneficial Owner commencing on or after the date of the occurrence of an Event of Taxability, but who subsequent to such date sold or otherwise disposed of its Initial Bonds or whose Initial Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Initial Bonds subsequent to the Event of Taxability and the date upon which the Initial Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by such Series of the Initial Bonds prior to the Event of Taxability and the rate borne by such Series of the Initial Bonds on and subsequent to such date.

(f) (i) The Series 2018A Bonds shall be numbered from AR-1 upward in consecutive numerical order, and the Series 2018B Bonds shall be numbered from BR-1 upward in consecutive numerical order. Each Initial Bond issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine.

(g) Subject to Section 2.09 hereof, the principal or Redemption Price of, and Sinking Fund Installments for, all Initial Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier redemption to the Persons in whose names such Initial Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof, provided, however, that the payment in full of any Initial Bond either at final

maturity or upon redemption in whole shall only be payable upon presentation and surrender of such Initial Bonds at the designated corporate trust office of the Trustee or of any Paying Agent.

The interest payable on each Initial Bond on any Interest Payment Date shall be paid by the Trustee to the Holder of such Initial Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered Holder at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such Holder, or (2) if such Initial Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any Holder of Initial Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

Interest on any Initial Bond that is due and payable but not paid on the date due ("**Defaulted Interest**") shall cease to be payable to the Holder of such Initial Bond as of the relevant Record Date and shall be payable to the Holder in whose name such Initial Bond is registered at the close of business on a special record date (the "**Special Record Date**") for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. It is provided in the Loan Agreement that the Institution shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Initial Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Money deposited with the Trustee on account of Defaulted Interest shall be held in trust for the benefit of the Holders of the Initial Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Trustee shall fix the Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt of such funds by the Trustee. The Trustee shall promptly notify the Institution of such Special Record Date and, in the name and at the expense of the Institution, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder of an Initial Bond entitled to such notice at the address of such Holder as it appears on the bond registration books not less than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Initial Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Initial Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Initial Bond and each such Initial Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(h) The Initial Bonds are issuable in the form of fully registered bonds in the Authorized Denominations.

(i) Anything in the Initial Bonds or in this Indenture to the contrary notwithstanding, the obligations of the Issuer hereunder and under the Initial Bonds shall be subject to the limitation that payments of interest or other amounts on the Initial Bonds shall not be required to the extent that receipt of any such payment by a Holder of an Initial Bond would be contrary to the provisions of law applicable to such Holder which would limit the maximum rate of interest which may be charged or collected by such Holder of an Initial Bond.

Section 2.03. **Redemption of Initial Bonds.**

(a) General Optional Redemption. The Series 2018A Bonds shall be subject to redemption, on or after December 1, 2028, in whole or in part at any time at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2018A Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption. The Series 2018B Bonds shall be subject to redemption, on or after June 1, 2028, in whole or in part at any time at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2018B Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

(b) (i) Optional Redemption of Series 2018B Bonds from Grant Proceeds. The Series 2018B Bonds shall be subject to redemption from Grant Proceeds in whole or in part at any time from June 1, 2019 to and including the earlier of December 1, 2021 and the 360th day following the Project Completion Date (as evidenced as set forth in Section 3.2(f) of the Loan Agreement) at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2018B Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

(ii) Contingent Mandatory Redemption of Series 2018B Bonds. The Series 2018B Bonds delivered on the Closing Date in connection with the deposit of proceeds of such Series 2018B Bonds as set forth in Section 4.01(b)(i) shall be subject to mandatory redemption on June 1, 2019, unless on or before such date additional draws have been made pursuant to Section 4.01(b)(ii).

(c) Extraordinary Redemption. The Initial Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), as a whole on any date, upon notice or waiver of notice as provided in this Indenture, at a Redemption Price of one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(i) The Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such damage or destruction, or (C) the restoration cost of the Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction plus any other amounts made available for the restoration thereof by or on behalf of the Institution; or

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

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

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

(d) Mandatory Sinking Fund Installment Redemption.

(i) The Series 2018A Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in Sections 5.05(d) and (f):

Sinking Fund Installment Payment Date	Sinking Fund Installment	Sinking Fund Installment Payment Date	Sinking Fund Installment
12/31/2022	$1,470,000	12/31/2037	$3,350,000
12/31/2023	1,570,000	12/31/2038	3,540,000
12/31/2024	1,640,000	12/31/2039	3,750,000
12/31/2025	1,745,000	12/31/2040	3,950,000
12/31/2026	1,835,000	12/31/2041	4,180,000
12/31/2027	1,940,000	12/31/2042	4,410,000
12/31/2028	2,050,000	12/31/2043	4,655,000
12/31/2029	2,180,000	12/31/2044	4,920,000
12/31/2030	2,285,000	12/31/2045	5,195,000
12/31/2031	2,430,000	12/31/2046	5,490,000
12/31/2032	2,555,000	12/31/2047	5,785,000
12/31/2033	2,695,000	12/31/2048	6,125,000
12/31/2034	2,850,000	12/31/2049	6,465,000
12/31/2035	2,995,000	12/31/2050*	6,830,000
12/31/2036	3,180,000		

*final maturity

If Series 2018A Bonds in an amount equal to the Authorized Principal Amount with respect thereto have not been issued on or before the Project Completion Date, then the Bondholder Representative shall revise the mandatory Sinking Fund Installment schedule set forth above, by reducing the Sinking Fund Installments, on a pro rata basis (rounded to the nearest Authorized Denomination), by the amount of the Series 2018A Bond proceeds not advanced hereunder. The revised Sinking Fund Installment schedule referred to above shall be calculated by the Bondholder Representative and such revised Sinking Fund Installment schedule must be accompanied by an opinion of Nationally Recognized Bond Counsel to the effect that the substitution of such schedule in lieu of the then existing schedule will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes. The

Bondholder Representative shall provide a copy of such calculation and opinion of Nationally Recognized Bond Counsel to the Trustee. Until the Trustee receives such calculation and opinion from the Bondholder Representative, it may consider the schedule as set forth above unchanged.

(ii) The Series 2018B Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in Sections 5.05(d) and (f):

Sinking Fund Installment Payment Date	Sinking Fund Installment	Sinking Fund Installment Payment Date	Sinking Fund Installment
12/31/2019	$115,000	12/31/2035	$ 870,000
12/31/2020	--	12/31/2036	925,000
12/31/2021	--	12/31/2037	975,000
12/31/2022	415,000	12/31/2038	1,035,000
12/31/2023	440,000	12/31/2039	1,095,000
12/31/2024	465,000	12/31/2040	1,160,000
12/31/2025	495,000	12/31/2041	1,225,000
12/31/2026	520,000	12/31/2042	1,300,000
12/31/2027	550,000	12/31/2043	1,375,000
12/31/2028	580,000	12/31/2044	1,455,000
12/31/2029	620,000	12/31/2045	1,540,000
12/31/2030	655,000	12/31/2046	1,630,000
12/31/2031	690,000	12/31/2047	1,730,000
12/31/2032	730,000	12/31/2048	1,825,000
12/31/2033	780,000	12/31/2049	1,935,000
12/31/2034	820,000	12/31/2050*	2,050,000

*final maturity

If Series 2018B Bonds in an amount equal to the Authorized Principal Amount with respect thereto have not been issued on or before the Project Completion Date, then the Bondholder Representative shall be entitled to revise the mandatory Sinking Fund Installment schedule set forth above, by reducing the Sinking Fund Installments, on a pro rata basis (rounded to the nearest Authorized Denomination), by the amount of the Series 2018B Bond proceeds not advanced hereunder. The revised Sinking Fund Installment schedule referred to above shall be calculated by the Bondholder Representative and such revised Sinking Fund Installment schedule must be accompanied by an opinion of Nationally Recognized Bond Counsel to the effect that the substitution of such schedule in lieu of the then existing schedule will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes. The Bondholder Representative shall provide a copy of such calculation and opinion of Nationally Recognized Bond Counsel to the Trustee. Until the Trustee receives such calculation and opinion from the Bondholder Representative, it may consider the schedule as set forth above unchanged.

(e) Mandatory Redemption from Excess Proceeds and Certain Other Amounts. The Initial Bonds shall be redeemed at any time in whole or in part on a pro rata basis between the Series 2018A Bonds and the Series 2018B Bonds, based on the Outstanding principal amount thereof, prior to maturity in the event and to the extent:

(i) excess Bond proceeds shall remain after the completion of the Project,

(ii) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and this Indenture,

(iii) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(iv) certain funds received by the Institution pursuant to any capital campaign which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for completion of the Project or related Project Costs, except any Grant Proceeds, which shall be used by the Institution to redeem the Series 2018B Bonds,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Initial Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(f) Mandatory Redemption Upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance. The Initial Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event (i) the Issuer shall determine that (w) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations, (x) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement, (y) any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in this Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Initial Bonds, together with interest accrued thereon to the date of redemption.

(g) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Initial Bonds shall be redeemed prior to maturity on any date within one hundred twenty (120) days following such Determination of Taxability, at a Redemption Price equal to one hundred and five percent (105%) of the principal amount thereof, together with unpaid accrued interest at the Taxable Rate from the occurrence of the Event of Taxability to the date of redemption. The Initial Bonds shall be redeemed in whole unless redemption of a portion of the Initial Bonds Outstanding would have the result that interest payable on the Initial Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of an Initial Bond. In such event, the Initial Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

(h) Redemption of Initial Bonds permitted or required by this Article II shall be made as follows, and the Trustee shall give the notice of redemption required by Section 6.03 in respect of each such redemption:

(1) Redemption shall be made pursuant to the general optional redemption provisions of Section 2.03(a), (b) or (c) at such times as are permitted under

such Section and, in the case of Sections 2.03(a) or (b), in such principal amounts, as the Institution shall request in a written notice to the Trustee in accordance with Section 4.3(c) of the Loan Agreement.

(2) Redemption shall be made pursuant to the mandatory Sinking Fund Installment redemption provisions of Section 2.03(d) as and when required by this Section without the necessity of any request by, or notification from the Issuer or from the Institution, but subject to the provisions of Section 5.05(d) and (f).

(3) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(e) at the earliest possible date following the deposit of the excess proceeds or other amounts in the Series 2018A Bonds Redemption Account of the Bond Fund and/or the Series 2018B Bonds Redemption Account of the Bond Fund, without the necessity of any instructions or further act of the Issuer or the Institution.

(4) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(f) on the date specified therein in the event redemption is required under such circumstances, without the necessity of any instructions or further act of the Institution.

(5) Redemption shall be made pursuant to the mandatory taxability redemption provisions of Section 2.03(g) at the earliest possible date, but no later than one hundred twenty (120) days following the Determination of Taxability, without the necessity of any instructions or further act of the Issuer or the Institution.

Section 2.04. **Delivery of Initial Bonds**. The Initial Bonds shall be executed in the form and manner set forth in this Indenture and shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Initial Bonds including the interest, if any, accrued on the Initial Bonds to the Closing Date, the Initial Bonds shall be delivered by the Trustee on behalf of the Issuer to or upon the order of the purchaser(s) thereof, but only upon receipt by the Trustee of:

(a) a copy, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, of the Bond Resolution;

(b) an original executed counterpart of each Security Document;

(c) a written opinion by Nationally Recognized Bond Counsel to the effect that the issuance of the Initial Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and

(d) the written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the Initial Bonds to the purchaser(s) therein identified upon payment to the Trustee for the account of the Issuer of the purchase price therein specified, plus accrued interest, if any.

Section 2.05. **Execution of Bonds**. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel of the Issuer, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the manual or facsimile signature of the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer. Any facsimile signatures shall have the same force and effect as if the appropriate officers had personally signed each of

said Bonds. In case one or any of the officers who shall have signed or attested the Bonds or whose reproduced facsimile signature appears thereon shall cease to be such officer or officers before the Bonds so signed and attested shall have been actually issued and delivered, the Bonds may be issued and delivered as though the person who signed or attested or whose reproduced facsimile signature appears on the Bonds had not ceased to be such officer. Neither the members, directors, officers or agents of the Issuer nor any person executing the Bonds shall be liable personally or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 2.06. **Authentication**. Only such Bonds as shall have endorsed thereon a certificate of authentication, in substantially the form set forth in the Form of Initial Bond in Exhibit C, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until such certificate of authentication on such Bond shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Trustee shall note, with respect to each Bond to be authenticated under this Indenture in the space provided in the certificate of authentication for such Bond, the date of the authentication and delivery of such Bond. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds.

Section 2.07. **Additional Bonds**. (a) So long as (i) the Promissory Note, the Loan Agreement and the other Security Documents are each in effect, and (ii) the prior written consent of the Bondholder Representative (or, if no Bondholder Representative shall exist, the Majority Holders) shall have been obtained, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) completing the Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain (subject to and in compliance with the Project Documents), (iii) providing extensions, additions or improvements to the Facility, the purpose of which shall be for the Approved Project Operations, or (iv) refunding Outstanding Bonds. Such Additional Bonds shall be payable by the Issuer from the loan payments made by the Institution pursuant to the Loan Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, the Issuer and the Institution shall enter into an amendment to the Loan Agreement, and the Institution shall execute a new Promissory Note, which shall provide, among other things, that the loan payments payable by the Institution under the Loan Agreement and the aggregate amount to be paid under all Promissory Notes shall be increased and computed so as to amortize in full the principal of and interest on such Bonds and to pay any other costs in connection therewith. In addition, the Institution and the Issuer shall enter into an amendment to each Security Document with the Trustee which shall provide that the amounts guaranteed or otherwise secured thereunder be increased accordingly.

(b) Each such Series of Additional Bonds shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of such Series of Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer, authorizing, issuing and awarding the Series of Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and any amendments of or supplements to the Loan Agreement and any other Security Document to which the Issuer shall be a party;

(2) original executed counterparts of the Supplemental Indenture and an amendment of or supplement to the Loan Agreement expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture, the Promissory Note, the Loan Agreement and the Mortgage, the Facility referred to therein and the premises related or subject thereto shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Series of Additional Bonds being issued as well as the Initial Bonds and any Series of Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Series of Additional Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled and that the issuance of the Series of Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) except in the case of a Series of Refunding Bonds (defined below) refunding all Outstanding Bonds, a certificate of an Authorized Representative of the Institution to the effect that each Security Document to which it is a party continues in full force and effect and that there is no Default or Event of Default;

(5) written evidence from each Rating Agency by which any Series of Outstanding Bonds are then rated, if any, to the effect that it has reviewed the documentation pertaining to the issuance of the Series of Additional Bonds, and that the issuance of such Series of Additional Bonds will not result in a withdrawal, a suspension or a reduction of the long and short-term ratings, if applicable, then assigned to any Series of Outstanding Bonds by such Rating Agency;

(6) an original, executed counterpart of the new Promissory Note and the amendment to each Security Document; and

(7) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and make available for pick-up the Series of Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee of the purchase price therein specified, plus accrued interest, if any.

(c) (1) Upon the request of the Institution and in accordance with this Section, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund ("**Refunding Bonds**") all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this Section 2.07(c) of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with Section 6.02.

(2) A Series of Refunding Bonds may be authenticated and made available for pick-up only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 2.07(b), as may be applicable) of:

(A) Irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption pursuant to Section 6.03 to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Article XI, and any moneys required pursuant to said Section (with respect to all Outstanding Bonds or any part of one or more Series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in Article XI.

(3) The Institution shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

(4) No Refunding Bonds shall be issued unless the debt service on the Refunding Bonds in each year is no greater than the debt service on the Bonds being refunded by Refunding Bonds.

(d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with the Series 2018A Bonds and the Series 2018B Bonds and all other Series of Additional Bonds, if any, issued pursuant to this Section without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by this Indenture, including as set forth in Section 1.03.

(e) No Series of Additional Bonds shall be issued unless the Promissory Note, the Loan Agreement, the Mortgage and the other Security Documents are in effect and, at the time of issuance, there is no Default or Event of Default.

Section 2.08. **CUSIP Numbers**. The Issuer in issuing the Bonds may use CUSIP numbers (if then generally in use), and, if so, the Trustee shall use such CUSIP numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee of any change in the CUSIP numbers of which it has actual knowledge.

Section 2.09. **Book Entry Bonds**. (a) Except as provided in Section 2.09(c), the Holder of all of the Initial Bonds shall be DTC (the "**Securities Depository**") and the Initial Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Initial Bond registered in the name of Cede & Co. shall be made by wire transfer of New York Clearing House or equivalent same day funds to the account of Cede & Co. on the Interest Payment Date for the Initial Bonds at the address indicated for Cede & Co. in the registration books of the Issuer kept by the Trustee. It is anticipated that during the term of the Initial Bonds, the Securities Depository will make book entry transfers among its Participants and receive and transmit payment of principal or Redemption Price of, Sinking Fund Installments for, and interest on the Initial Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in Section 2.09(c).

(b) The Initial Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each maturity thereof. Upon initial issuance, the ownership of such Initial Bonds shall be registered in the registration books of the Issuer kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee, the Bond Registrar, the Paying Agent and the Issuer shall treat DTC (or its nominee) as the sole and exclusive Holder of the Initial Bonds registered in its name for the purposes of payment of the principal, Sinking Fund Installments, Redemption Price of or interest on the Initial Bonds, selecting the Initial Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of Initial Bonds, obtaining any consent or other action to be taken by Holders of the Initial Bonds and for all other purposes whatsoever; and neither the Trustee, the Bond Registrar, the Paying Agent, the Institution nor the Issuer shall be affected by any notice to the contrary. All notices with respect to such Initial Bond shall be made and given, respectively, to DTC as provided in the Representations Letter. Neither the Trustee, the Bond Registrar, the Paying Agent nor the Issuer shall have any responsibility or obligation to any Participant, any Person claiming a beneficial ownership interest in the Initial Bonds under or through DTC or any Participant, or any other Person that is not shown on the registration books of the Trustee as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment of DTC or any Participant of any amount in respect of the principal, Sinking Fund Installments, Redemption Price of or interest on the Book-Entry Initial Bonds; any notice that is permitted or required to be given to Bondholders under this Indenture or any other Security Documents; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Initial Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal or Redemption Price of, Sinking Fund Installments for, and interest on the Initial Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State) DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the principal or Redemption Price of, Sinking Fund Installments for, and interest on the Initial Bonds to the extent of the sum or sums so paid. Except as otherwise provided in Section 2.09(c), no Person other than DTC shall receive an authenticated Initial Bond certificate evidencing the obligation of the Issuer to make payments of principal or Redemption Price of, Sinking Fund Installments for, and interest on the Initial Bonds pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions of this Indenture with respect to transfers of Bonds, the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event the Issuer determines that it is in the best interest of the Beneficial Owners that they be able to obtain Initial Bond certificates, the Issuer may notify DTC and the Trustee, whereupon DTC will notify the Participants, of the availability through DTC of Initial Bond certificates. In such event, the Trustee shall issue, transfer and exchange Initial Bond certificates as requested by DTC in appropriate amounts within the guidelines set forth in this Indenture. DTC may determine to discontinue providing its services with respect to the Initial Bonds at any time by giving written notice to

the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Issuer and the Trustee shall be obligated to deliver Initial Bond certificates as described in this Indenture. In the event Initial Bond certificates are issued, the provisions of this Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal or Redemption Price of, Sinking Fund Installments for, and interest on such certificates. Whenever DTC requests the Issuer and the Trustee to do so, the Issuer will direct the Trustee (at the sole cost and expense of the Institution) to cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Initial Bonds to any DTC Participant having Initial Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Initial Bonds.

(d) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture or any other Security Document by the Issuer or the Trustee with respect to any consent or other action to be taken by Bondholders, the Issuer or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole Bondholder.

(e) NONE OF THE ISSUER, THE INSTITUTION, THE TRUSTEE OR THE BONDHOLDER REPRESENTATIVE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, SINKING FUND INSTALLMENTS, REDEMPTION PRICE OF OR INTEREST ON THE INITIAL BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS INDENTURE TO BE GIVEN TO BONDHOLDERS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE INITIAL BONDS.

(f) SO LONG AS CEDE & CO. IS THE HOLDER OF THE INITIAL BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE HOLDERS OF THE INITIAL BONDS OR REGISTERED HOLDERS OF THE INITIAL BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE INITIAL BONDS.

(g) If the Holder of all of the Initial Bonds shall be DTC, and all Initial Bonds shall be registered in the name of Cede & Co. as nominee for DTC, (i) only DTC may tender Initial Bonds upon redemption or retirement in whole and (ii) unless all Initial Bonds are being redeemed or retired in whole, Initial Bonds shall not be required to be presented to the Trustee for payment of principal, Sinking Fund Installments or Redemption Price except upon final maturity or redemption in whole.

(h) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a

Initial Bond or Bonds for cancellation shall cause the delivery of a Initial Bond or Bonds to the successor Securities Depository in appropriate Authorized Denominations and form as provided herein.

(i) Nothing contained in this Section 2.09 shall limit, modify, reduce, impair or affect any of the express rights of the Bondholder Representative or the Beneficial Owners under any other provision of this Indenture, including rights of notice, direction and consent.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01. **Date of Bonds**. The Initial Bonds shall be dated their date of original issuance (subject to the provisions set forth below with respect to transfers and exchanges) and will bear interest from their date at the applicable rate or rates until the entire principal amount of the Initial Bonds has been paid. Bonds authenticated prior to the first Interest Payment Date shall bear interest from their date of original issuance. Bonds issued in exchange for or upon the registration of transfer of Bonds on or after the first Interest Payment Date thereon shall bear interest from and including the Interest Payment Date next preceding the date of the authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for, in which case they shall bear interest from and including such Interest Payment Date; provided that if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in exchange for or upon the registration of transfer of Bonds shall bear interest from the date to which interest has been paid in full on the Bonds, or if no interest has been paid on the Bonds, the date of the first delivery of fully executed and authenticated Bonds hereunder.

Section 3.02. **Form and Denominations**. Bonds shall be issued in fully registered form, without coupons, in any Authorized Denomination not exceeding the aggregate principal amount of Bonds of the same Series, maturity and interest rate as the Bond for which the denomination is to be specified. Subject to the provisions of Section 3.03, the Initial Bonds shall be in substantially the form set forth in Exhibit C, with such variations, omissions and insertions as are permitted or required by this Indenture.

Section 3.03. **Legends**. Each Initial Bond shall contain on the face thereof a statement to the effect that "THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE BUILD NYC RESOURCE CORPORATION OTHER THAN THOSE PLEDGED THEREFOR" and "THIS BOND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A PERSON CONSTITUTING A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED) OR AN "ACCREDITED INVESTOR" (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED)"; provided, however, that after the Initial Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, this requirement shall no longer apply to the Initial Bonds. The Bonds may in addition contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom or otherwise as may be determined by the Issuer prior to the delivery thereof.

Section 3.04. **Medium of Payment**. The principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds shall be payable in any coin or currency of the

United States of America which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. Such payment may be made as provided in Section 2.02.

Section 3.05. **Bond Details**. Subject to the provisions hereof, the Bonds shall be dated, shall mature in such years and such amounts, shall bear interest at such rate or rates per annum, shall be subject to redemption on such terms and conditions and shall be payable as to principal or Redemption Price, if any, Sinking Fund Installments, and interest at such place or places as shall be specified in this Indenture.

Section 3.06. **Interchangeability, Transfer and Registry**. (a) Each Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Bond and only upon the books of the Issuer, which shall be kept for the purpose at the designated corporate trust office of the Trustee, by the Holder thereof in person or by his duly authorized attorney-in-fact, upon surrender of such Bond together with a written instrument of transfer in the form appearing on such Bond duly executed by the registered Holder or his duly authorized attorney-in-fact. Upon the transfer of any Bond the Trustee shall prepare and issue in the name of the transferee one or more new Bonds of the same aggregate principal amount, related Series, maturity and interest rate as the surrendered Bond.

(b) Any Bond, upon surrender thereof at the designated corporate trust office of the Trustee in the City with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered Holder or his duly authorized attorney-in-fact, may, at the option of the Holder thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any other Authorized Denominations. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

(c) The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name any Bond shall be registered as the absolute Holder of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, Sinking Fund Installments for, and interest on such Bond and for all other purposes, and all payments made to any such registered Holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

(d) Upon receipt by the Trustee of the written consent of 100% of the Beneficial Owners of the Initial Bonds and an Opinion of Nationally Recognized Bond Counsel providing that the actions described in this paragraph (d) will not result in the interest on any of the Bonds to cease to be excluded from gross income for federal income tax purposes under the Code, the Trustee shall exchange (i) all Outstanding Series 2018A Bonds for two or more serial and/or term Series 2018A Bonds, as directed by the Majority Holders, in such principal amounts, bearing interest at such rates, maturing on such dates and being subject to mandatory sinking fund redemption on such dates as are specified in such written direction; provided, however, that (A) the aggregate principal amount of such serial and/or term Series 2018A Bonds shall be less than or equal to the aggregate principal amount of all Series 2018A Bonds Outstanding immediately prior to such exchange, and (B) the overall debt service on such serial and/or term Series 2018A Bonds shall be less than or equal to the overall debt service on the Series 2018A Bonds Outstanding immediately prior to such exchange, and (ii) all Outstanding Series 2018B Bonds for two or more serial and/or term Series 2018B Bonds, as directed by the Majority Holders, in such principal amounts, bearing interest at such rates, maturing on such dates and being subject to mandatory sinking fund redemption on such dates as are specified in such written direction; provided, however, that (A) the

aggregate principal amount of such serial and/or term Series 2018B Bonds shall be less than or equal to the aggregate principal amount of all Series 2018B Bonds Outstanding immediately prior to such exchange, and (B) the overall debt service on such serial and/or term Series 2018B Bonds shall be less than or equal to the overall debt service on the Series 2018B Bonds Outstanding immediately prior to such exchange. Any such exchanged Bonds shall be issued in book-entry only form with DTC, and the expenses associated with reissuance, obtaining new CUSIP numbers and DTC registration, obtaining the opinion of Nationally Recognized Bond Counsel and other opinions, and the reasonable fees and expenses of the Trustee shall be paid by the Beneficial Owners of the Initial Bonds.

(e) In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer or the Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses shall be paid by the Institution but any such tax, fee or other governmental charge shall be paid by the Holder requesting such transfer or exchange.

Section 3.07. **Bonds Mutilated, Destroyed, Stolen or Lost**. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity, unpaid principal amount and interest rate as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence reasonably satisfactory to it that such Bond has been destroyed, stolen or lost, and upon furnishing the Issuer and the Trustee with indemnity (an undertaking from an insurance company acceptable to the Trustee and the Issuer) satisfactory to the Trustee and to the Issuer and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Issuer and the Trustee may incur. All Bonds so surrendered to the Trustee shall be cancelled by it. Every new Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is destroyed, lost or stolen, shall, with respect to such Bond, constitute an additional contractual obligation of the Issuer whether or not the destroyed, lost or stolen Bond shall be found (provided such lost or stolen Bond shall no longer constitute such a contractual obligation of the Issuer) and shall be enforceable at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. In the event any such destroyed, stolen or lost Bond shall have matured, or be about to mature, the Issuer may, instead of issuing a new Bond, cause the Trustee to pay the same without surrender thereof upon compliance with the condition in the first sentence of this Section out of moneys held by the Trustee and available for such purpose. All Bonds shall be held and owned upon the express condition (to the extent lawful) that the foregoing provisions are exclusive with respect to the replacement or payment of any mutilated, destroyed or lost or stolen Bond and shall preclude any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 3.08. **Cancellation and Destruction of Bonds**. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee.

Section 3.09. **Requirements With Respect to Transfers**. In all cases in which the privilege of transferring Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such transfer shall forthwith be cancelled by the Trustee. For every such transfer of Bonds, the Issuer or the Trustee may, as a condition precedent to the privilege of making such transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer

and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer, which sum or sums shall be paid by the Person requesting such transfer.

Section 3.10. **Bond Registrar**. The Trustee shall also be Bond Registrar for the Bonds, and shall maintain a register showing the names of all registered Holders of Bonds, Bond numbers and amounts, and other information appropriate to the discharge of its duties hereunder. The Trustee shall make available to the Institution for its inspection during normal business hours the registration books for the Bonds, as may be requested by the Institution in connection with any purchase or tender offer by it with respect to the Bonds.

Section 3.11. **Payments Due on Saturdays, Sundays and Holidays**. In any case where any payment date of principal or Redemption Price, Sinking Fund Installment, and/or interest on the Bonds, or the date fixed for redemption of any Bonds, shall be a day other than a Business Day, then payment of such principal, Sinking Fund Installment, and/or interest or the Redemption Price, if applicable, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal, Sinking Fund Installment and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Section 4.01. **Application of Proceeds of Initial Bonds**.

(a) Application of Proceeds of Series 2018A Bonds.

(i) The proceeds of the sale of the Series 2018A Bonds shall be applied by the Trustee on the applicable Draw-Down Date for deposit in the Project Fund for purpose of paying Project Costs as provided in Section 5.02. It is the intention of the parties that the Bonds shall constitute a draw-down loan, as defined in Treasury Regulation Section 1.150-1(c)(4)(i) and this Indenture shall be construed and the Trustee, the Holders and Beneficial Owners of the Bonds and the Institution shall operate consistent with such Regulation. The Trustee shall maintain the record reflecting the draw-down amounts from time to time, as described in Section 2.02. Amounts deposited in the Project Account of the Project Fund will be expended within thirty (30) Business Days of each Draw-Down Date.

(ii) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2018A Bonds on the Draw-Down Date that is also the Closing Date, the Trustee shall deposit such proceeds as follows:

(1) $3,574,562.52 shall be deposited into the Series 2018A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, an amount equal to the Debt Service Reserve Requirement for the Outstanding Series 2018A Bonds as of the Closing Date;

(2) $4,569,389.07 shall be deposited into the Series 2018A Bonds Capitalized Interest Account of the Project Fund;

(3) $31,188,691.24 shall be deposited into the Project Account of the Project Fund;

(4) $6,766,329.19 shall be deposited into the Redemption Account for the redemption of prior outstanding bonds; and

(5) $1,073,590.48 shall be deposited into the Cost of Issuance Account.

(iii) The Institution shall request an additional loan of the proceeds of the Series 2018A Bonds by delivering to the Trustee at least ten (10) Business Days prior to the requested Draw-Down Date an Advance Direction Letter, duly executed by the Initial Bondholder, a copy of which shall be delivered to the Issuer and the Underwriter; provided, however, that each such loan shall be in an amount of not less than $10,000,000. Such Advance Direction Letter shall be accompanied by a copy of the related requisition and supporting materials required for the disbursement of funds from the Project Account of the Project Fund in accordance with Section 5.02(b).

(iv) Upon the receipt by the Trustee of the proceeds of the sale and delivery of the Series 2018A Bonds on each Draw-Down Date for the Series 2018A Bonds, the Trustee shall (i) from such proceeds, deposit in the Project Account of the Project Fund the amount specified in the Advance Direction Letter delivered to the Trustee in connection with such Draw-Down Date to be so deposited, (ii) from such proceeds, deposit in the Capitalized Interest Account of the Project Fund the amount, if any, specified in such Advance Direction Letter to be so deposited, and (iii) from such proceeds, deposit in the Series 2018A Bonds Debt Service Reserve Account the amount specified in such Advance Direction Letter to be so deposited, which amount shall be the amount equal to the Debt Service Reserve Requirement for the Series 2018A Bonds determined as if the only Outstanding Series 2018A Bonds is the installment of the sale of the Series 2018A Bonds made on such Draw-Down Date.

(v) The aggregate installments of the sale of the Series 2018A Bonds made on and prior to each Draw-Down Date shall not exceed the maximum Authorized Principal Amount of the Series 2018A Bonds. Upon the payment of each purchase price installment of the Series 2018A Bonds to the Trustee, the installment so paid shall constitute a loan of the proceeds of the Series 2018A Bonds by the Issuer to the Institution. The amounts funded in such manner shall be duly noted by the Trustee on the principal logs maintained by the Trustee. The Trustee shall maintain on its copy of the principal logs a complete account of all such loans of the proceeds of the Series 2018A Bonds and the principal amount of the Outstanding Series 2018A Bonds.

(b) Application of Proceeds of Series 2018B Bonds.

(i) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2018B Bonds on the Draw-Down Date that is also the Closing Date the Trustee shall deposit such proceeds as follows:

(1) $91,790.48 shall be deposited in the Project Account of the Project Fund;

(2) $11,500.00 shall be deposited into the Series 2018B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, an amount equal to the Debt Service Reserve Requirement for the Outstanding Series 2018B Bonds as of the Closing Date; and

(3) $10,559.52 shall be deposited into the Cost of Issuance Account.

(ii) The Institution shall request an additional loan of the proceeds of the Series 2018B Bonds by delivering to the Trustee at least ten (10) Business Days prior to the requested Draw-Down Date an Advance Direction Letter, duly executed by the Initial Bondholder, a copy of which shall be delivered to the Issuer and the Underwriter; provided, however, that each such loan shall be in an amount of not less than $2,000,000. Such Advance Direction Letter shall be accompanied by a copy of the related requisition and supporting materials required for the disbursement of funds from the Project Account of the Project Fund in accordance with Section 5.02(b).

(iii) Upon the receipt by the Trustee of the proceeds of the sale and delivery of the Series 2018B Bonds on each Draw-Down Date for the Series 2018B Bonds, the Trustee shall (i) from such proceeds, deposit in the Project Account of the Project Fund the amount specified in the Advance Direction Letter delivered to the Trustee in connection with such Draw-Down Date to be so deposited, (ii) from such proceeds, deposit in the Capitalized Interest Account of the Project Fund the amount, if any, specified in such Advance Direction Letter to be so deposited, and (iii) from such proceeds, deposit in the Series 2018B Bonds Debt Service Reserve Account the amount specified in such Advance Direction Letter to be so deposited, which amount shall be the amount equal to the Debt Service Reserve Requirement for the Series 2018B Bonds determined as if the only Outstanding Series 2018B Bonds is the installment of the sale of the Series 2018B Bonds made on such Draw-Down Date.

(iv) The aggregate installments of the sale of the Series 2018B Bonds made on and prior to each Draw-Down Date shall not exceed the maximum Authorized Principal Amount of the Series 2018B Bonds. Upon the payment of each purchase price installment of the Series 2018B Bonds to the Trustee, the installment so paid shall constitute a loan of the proceeds of the Series 2018B Bonds by the Issuer to the Institution. The amounts funded in such manner shall be duly noted by the Trustee on the principal logs maintained by the Trustee. The Trustee shall maintain on its copy of the principal logs a complete account of all such loans of the proceeds of the Series 2018B Bonds and the principal amount of the Outstanding Series 2018B Bonds.

ARTICLE V

CUSTODY AND INVESTMENT OF FUNDS

Section 5.01. **Creation of Funds and Accounts**. (a) The Issuer hereby establishes and creates the following special trust Funds and Accounts comprising such Funds:

(1) Project Fund

(A) Project Account

(B) 2018A Bonds Capitalized Interest Account

(C) 2018B Bonds Capitalized Interest Account

(2) Bond Fund

(A) Principal Account

(B) Interest Account

(C) Sinking Fund Installment Account

(D) Redemption Account

(3) Renewal Fund Earnings Fund

(4) Rebate Fund

(5) Debt Service Reserve Fund

(A) Series 2018A Bonds Debt Service Reserve Account

(B) Series 2018B Bonds Debt Service Reserve Account

(b) All of the Funds and Accounts created hereunder shall be held by the Trustee. All moneys required to be deposited with or paid to the Trustee for the credit of any Fund or Account under any provision of this Indenture and all investments made therewith shall be held by the Trustee in trust and applied only in accordance with the provisions of this Indenture, and while held by the Trustee shall constitute part of the Trust Estate (subject to the granting clauses of this Indenture), other than the Rebate Fund, and be subject to the lien hereof.

Section 5.02. **Project Fund**. (a) There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to Sections 4.01, 5.06 and 5.07 or otherwise required to be deposited therein pursuant to the Loan Agreement or this Indenture.

The Trustee shall apply the amounts on deposit in the Project Account of the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the Institution or the Issuer, of Project Costs (excluding interest on the Bonds during the period of Project construction and renovation) to the extent requisitioned under subsection (b) hereto. The Trustee shall automatically transfer amounts on deposit in the applicable Capitalized Interest Account of the Project Fund to the Interest Account of the Bond Fund in an amount up to the amount of interest due and payable on the Bonds on the next succeeding Interest Payment Date on or prior to such Interest Payment Date.

(b) The Trustee is hereby authorized to disburse from the Project Account of the Project Fund amounts required to pay (in whole or in part) the Project Costs and is directed to issue its checks (or, at the direction of the Institution, make wire transfers) for each disbursement from the Project Account of the Project Fund for the Project Costs, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the Institution; provided, however, that the Trustee shall retain in the Project Account of the Project Fund an amount equal to the greater of (a) $60,000 or (b) the lesser of (i) one percent (1%) of the original principal amount of the Initial Bonds or (ii) $500,000, until an Authorized Representative of the Institution shall have delivered the completion certificate and other documents required by Section 3.2(f) of the Loan Agreement.

The requisition from the Project Account of the Project Fund shall be accompanied by bills or invoices (stamped "paid" by the Person to whom payment was due or with other evidence of payment if reimbursement is to be made to the Institution), including evidence that the bill, invoice or other evidence was not incurred on a date prior to sixty (60) days prior to the date of adoption by the Issuer or the Institution of the Reimbursement Resolution for the Project. Such requisition shall be as set forth in Exhibit D — "Form of Requisition from the Project Fund" and shall be submitted to the Trustee. The Trustee shall disburse amounts from the Project Account of the Project Fund not later than five (5) Business Days following the receipt of the executed requisition and accompanying bills or invoices, except that any such requisition and accompanying bills or invoices submitted on the Closing Date shall have disbursements made by the Trustee on such Closing Date. The Trustee shall be entitled to

conclusively rely on the correctness and accuracy of such requisition as well as the propriety of the signature thereon.

In addition to the foregoing, any requisition submitted to the Trustee for costs of construction, improving and/or renovating the Facility Realty shall be accompanied by a notice of title continuation or an endorsement to the title insurance policies theretofore delivered pursuant to Section 3.7 of the Loan Agreement, indicating that since the last preceding disbursement of any amounts held in the Project Fund, there has been no change in the state of title and no exceptions not theretofore approved by the Issuer and the Trustee (which approvals shall not be unreasonably withheld) or permitted by the specific terms of the Agreement to Advance and the Construction Disbursement and Monitoring Agreement, which notice or endorsement shall contain no exception for inchoate mechanic's liens not permitted by the specific terms of the Agreement to Advance and the Construction Disbursement and Monitoring Agreement (and such affirmative insurance relating thereto as the Issuer and/or the Trustee shall reasonably require) and shall have the effect of redating such policies to the date of the disbursement then being made and increasing the coverage of the policies by an amount equal to the disbursement then being made if the policies do not by their terms provide for such an increase.

Notwithstanding the foregoing, the Trustee shall not disburse Project Costs subject to the Construction Disbursement and Monitoring Agreement unless it has also received a disbursement request substantially in the form attached as Exhibit A to the Construction Disbursement and Monitoring Agreement.

(c) The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom and shall furnish copies of same to the Issuer or the Institution upon reasonable written request.

(d) The Trustee shall on written request furnish to the Issuer, the Bondholder Representative and the Institution within a reasonable time period a written statement of disbursements from the Project Fund, enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills, invoices or other evidences submitted to the Trustee for such disbursement.

(e) The completion of the Project shall be evidenced as set forth in Section 3.2(f) of the Loan Agreement including the filing of the certificate of an Authorized Representative of the Institution referred to therein. Upon the filing of such certificate, the balance in the Project Fund in excess of the amount, if any, stated in such certificate for the payment of any remaining part of the costs of the Project, together with any balance of such remaining amount in the Project Fund and any amount on deposit in the Earnings Fund derived from transfers made thereto from the Project Fund shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Certificate and Section 5.07, and after depositing in the Debt Service Reserve Fund an amount equal to any deficiency therein (subject to the requirements of the Tax Certificate), be deposited by the Trustee in the Redemption Account of the Bond Fund to be applied to the redemption of Bonds at the earliest practicable date. The Trustee shall promptly notify the Institution of any amounts so deposited in the Redemption Account of the Bond Fund pursuant to this Section 5.02(e).

(f) In the event the Institution shall be required to or shall elect to cause the Bonds to be redeemed in whole pursuant to the Loan Agreement, the balance in the Project Fund and in the Earnings Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Certificate and Section 5.07) and in the Debt Service Reserve Fund shall be deposited in the Redemption Account of the Bond Fund. In the event the unpaid principal amount of the Bonds shall be accelerated upon the occurrence of an Event of Default hereunder, the balance in the Project Fund and in the Earnings

Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Certificate and Section 5.07) and in the Debt Service Reserve Fund shall be deposited in the Bond Fund as provided in Section 8.03.

(g) Except as provided in Section 5.06, all earnings on amounts held in the Project Fund shall be transferred by the Trustee and deposited in the Earnings Fund. Any transfers by the Trustee of amounts to the Rebate Fund shall first be drawn by the Trustee from the Earnings Fund prior to drawing any amounts from the Project Fund.

Section 5.03. **Payments into Renewal Fund; Application of Renewal Fund**. (a) The Net Proceeds resulting from any Loss Event with respect to the Facility, together with any other amounts required to be deposited therein under the Loan Agreement or the Mortgage, shall be deposited in the Renewal Fund.

(b) In the event the Institution has elected to take action to effect an optional redemption of the Initial Bonds pursuant to Section 4.03(c)(i) or (ii), the Trustee shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Certificate and Section 5.07, transfer the amounts deposited in the Renewal Fund to the Redemption Account of the Bond Fund.

If, on the other hand,

(1) the Institution has not elected to take action to effect an optional redemption of the Initial Bonds pursuant to Section 4.03(c)(i) or (ii), and

(2) the Institution shall have notified the Trustee of its intent to rebuild, replace, repair and restore the Facility,

the Trustee shall apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Certificate and Section 5.07, to such rebuilding, replacement, repair and restoration.

(c) If an Event of Default shall exist at the time of the receipt by the Trustee of the Net Proceeds in the Renewal Fund, the Trustee shall promptly request the written direction of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) and shall thereupon apply such Net Proceeds, after making any transfer to the Rebate Fund as directed pursuant to the Tax Certificate and Section 5.07, to the rebuilding, replacement, repair and restoration of the Facility, or for deposit in the Redemption Account of the Bond Fund, as directed by the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders).

(d) The Trustee is hereby authorized to apply the amounts in the Renewal Fund to the payment (or reimbursement to the extent the same have been paid by or on behalf of the Institution or the Issuer) of the costs required for the rebuilding, replacement, repair and restoration of the Facility upon written instructions from the Institution. The Trustee is further authorized and directed to issue its checks for each disbursement from the Renewal Fund upon a requisition submitted to the Trustee, signed by an Authorized Representative of the Institution and consented to in writing by the Bondholder Representative, if any. Each such requisition shall be accompanied by bills, invoices or other evidences or documentation (including, without limitation, a title continuation or other evidence that no mechanics or other Liens have been filed) satisfactory to the Trustee. The Trustee shall be entitled to rely on such requisition. The Trustee shall keep and maintain adequate records pertaining to the Renewal Fund and all disbursements therefrom and shall furnish copies of same to the Issuer and the Institution upon reasonable written request therefor.

(e) The date of completion of the restoration of the Facility shall be evidenced to the Issuer, the Trustee and the Bondholder Representative by a certificate of an Authorized Representative of the Institution stating (i) the date of such completion, (ii) that all labor, services, machinery, equipment, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for or arrangement for payment, reasonably satisfactory to the Trustee, has been made, (iii) that the Facility has been rebuilt, replaced, repaired or restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, (iv) that all property constituting part of the Facility is subject to the terms of the Loan Agreement, and that all property constituting part of the Mortgaged Property is subject to the mortgage lien and security interest of the Mortgage, subject to Permitted Encumbrances, (v) the Rebate Amount applicable with respect to the Net Proceeds and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund), and (vi) that the restored Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Institution against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 6.4 of the Loan Agreement, and (z) that no Person other than the Issuer or the Trustee may benefit therefrom. Such certificate shall be accompanied by (i) a certificate of occupancy (either temporary or permanent, provided that if is a temporary certificate of occupancy, the Institution will proceed with due diligence to obtain a permanent certificate of occupancy), if required, and any and all permissions, licenses or consents required of governmental authorities for the occupancy, operation and use of the Facility for the purposes contemplated by the Loan Agreement; (ii) a certificate of an Authorized Representative of the Institution that all costs of rebuilding, repair, restoration and reconstruction of the Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the rebuilding, repair, restoration and reconstruction of the Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute, evidence to the Trustee that such costs have been appropriately bonded or that the Institution shall have posted a surety or security at least equal to the amount of such costs); and (iii) a search prepared by a title company, or other evidence satisfactory to the Trustee, indicating that there has not been filed with respect to the Facility any mechanic's, materialmen's or any other Lien in connection with the rebuilding, replacement, repair and restoration of the Facility and that there exist no Liens other than those Liens consented to by the Issuer, the Trustee and the Bondholder Representative (or as permitted by the specific terms of the Agreement to Advance and the Construction Disbursement and Monitoring Agreement).

(f) All earnings on amounts on deposit in the Renewal Fund shall be transferred by the Trustee and deposited in the Earnings Fund. Any transfers by the Trustee of amounts to the Rebate Fund shall first be drawn by the Trustee from the Earnings Fund prior to drawing any amounts from the Renewal Fund.

(g) Any surplus remaining in the Renewal Fund after the completion of the rebuilding, replacement, repair and restoration of the Facility shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Certificate and Section 5.07, and after depositing in the Debt Service Reserve Fund an amount equal to any deficiency therein, be transferred by the Trustee to the Redemption Account of the Bond Fund.

Section 5.04. **Payments into Bond Fund**. The Trustee shall promptly deposit the following receipts into the Bond Fund:

(a) The interest accruing on any Series of Bonds from the date of original issuance thereof to the date of delivery, if any, which shall be credited to the Interest Account of the Bond Fund and applied to the payment of interest on the applicable Series of Bonds.

(b) Amounts transferred from the applicable Capitalized Interest Account of the Project Fund for the payment of interest on the applicable Series of Bonds during the period of Project Work, which shall be credited to the Interest Account of the Bond Fund and applied to the payment of interest on such Bonds.

(c) Excess or remaining amounts in the Project Fund required to be deposited (subject to any transfer required to be made to the Rebate Fund in accordance with directions received pursuant to the Tax Certificate and Section 5.07, or to the Debt Service Reserve Fund to the extent of any deficiency therein) (i) in the Redemption Account of the Bond Fund pursuant to Section 5.02(e), or (ii) in the Bond Fund pursuant to the second sentence of Section 5.02(f).

(d) Loan payments received by the Trustee pursuant to Section 4.3(a)(i), (ii), (iii) or (v), or Section 4.3(i), of the Loan Agreement, which shall be deposited in and credited, to the extent necessary to the Interest Account, second to the Principal Account, third to the Sinking Fund Installment Account of the Bond Fund.

(e) Advance loan payments received by the Trustee pursuant to Section 4.3(c) of the Loan Agreement, which shall be deposited in the Redemption Account of the Bond Fund.

(f) Any amounts transferred from the Earnings Fund pursuant to Section 5.06(c), which shall be deposited in and credited to the Interest Account of the Bond Fund.

(g) The excess amounts referred to in Section 5.05(d), which shall be deposited in and credited to the Interest Account of the Bond Fund.

(h) Any amounts transferred from the Redemption Account pursuant to Section 5.05(h), which shall be deposited to the Interest Account, the Principal Account and the Sinking Fund Installment Account of the Bond Fund, as the case may be and in such order of priority, and applied solely to such purposes.

(i) Amounts in the Renewal Fund required by Section 5.03 or by the Mortgage to be deposited (subject to any transfer required to be made to the Rebate Fund in accordance with directions received pursuant to the Tax Certificate and Section 5.07 or to the Debt Service Reserve Fund to the extent of any deficiency therein), to the Redemption Account of the Bond Fund.

(j) All other receipts when and if required by the Loan Agreement or by this Indenture or by any other Security Document to be paid into the Bond Fund, which shall be credited (except as provided in Section 8.03), to the Redemption Account of the Bond Fund.

(k) Any amounts transferred from the Debt Service Reserve Fund pursuant to Section 5.13.

Section 5.05. **Application of Bond Fund Moneys**. (a) The Trustee shall on each Interest Payment Date pay or cause to be paid out of the Interest Account in the Bond Fund the interest due on the Bonds and any amounts required for the payment of accrued interest upon any purchase or redemption (including any mandatory Sinking Fund Installment redemption) of the Bonds.

(b) The Trustee shall on each principal payment date pay or cause to be paid to the Paying Agent therefor out of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds (other than such as shall be due by mandatory Sinking Fund Installment redemption), upon the presentation and surrender of the requisite Bonds.

(c) There shall be paid from the Sinking Fund Installment Account of the Bond Fund to the Paying Agent on each Sinking Fund Installment payment date in immediately available funds the amounts required for the Sinking Fund Installment due and payable with respect to the applicable Series of Bonds which are to be redeemed from Sinking Fund Installments on such date (accrued interest on such the Bonds being payable from the Interest Account of the Bond Fund). Such amounts shall be applied by the Paying Agent to the payment of such Sinking Fund Installment when due. The Trustee shall call for redemption, in the manner provided in Article VI, the Bonds for which Sinking Fund Installments are applicable in a principal amount equal to the Sinking Fund Installment then due with respect to such Series of Bonds. Such call for redemption shall be made even though at the time of mailing of the notice of such redemption sufficient moneys therefor shall not have been deposited in the Bond Fund.

(d) Subject to amounts deposited in accordance with Article XI in order to accomplish a defeasance, amounts in the Redemption Account of the Bond Fund shall be applied, at the written direction of the Institution, as promptly as practicable, to the purchase of the applicable Series of Bonds at prices not exceeding the Redemption Price thereof applicable on the earliest date upon which the applicable Series of Bonds are next subject to optional redemption, plus accrued interest to the date of redemption. Any amount in the Redemption Account not so applied to the purchase of the Bonds by forty-five (45) days prior to the next date on which the applicable Series of Bonds are so redeemable shall be applied to the redemption of such Bonds on such redemption date. Any amounts deposited in the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of the Bonds (except if held in accordance with Article XI) shall be transferred to the applicable Interest Account. Upon the purchase of any Bonds out of advance loan payments as provided in this subsection, or upon the redemption of any Bonds, an amount equal to the principal of such Bonds so purchased or redeemed shall be credited against the next ensuing and future Sinking Fund Installments for such Bonds in chronological order of the due dates of such Sinking Fund Installments until the full principal amount of such Bonds so purchased or redeemed shall have been so credited. The portion of any such Sinking Fund Installment remaining after the deduction of such amounts so credited shall constitute and be deemed to be the amount of such Sinking Fund Installment for the purposes of any calculation thereof under this Indenture. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in Section 6.02. Amounts in the Redemption Account to be applied to the redemption of the Bonds shall be paid to the Paying Agent on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date.

(e) In connection with purchases of Bonds out of the Redemption Account as provided in this Section, the Institution shall arrange and the Trustee shall execute such purchases (through brokers or otherwise, and with or without receiving tenders) at the written direction of the Institution. The payment of the purchase price shall be made out of the moneys deposited in the Redemption Account of the Bond Fund, and the payment of accrued interest shall be made out of moneys deposited in the Interest Account of the Bond Fund.

(f) The Issuer shall receive a credit in respect of Sinking Fund Installments for any Bonds which are subject to mandatory Sinking Fund Installment redemption and which are delivered by the Issuer or the Institution to the Trustee on or before the forty-fifth (45th) day next preceding any Sinking Fund Installment payment date and for any Bonds which prior to said date have been purchased or redeemed (otherwise than through the operation of the Sinking Fund Installment Account) and cancelled by the Trustee and not theretofore applied as a credit against any Sinking Fund Installment (whether pursuant to Section 5.05(d) or otherwise). Each Bond so delivered, cancelled or previously purchased or redeemed shall be credited by the Trustee at one hundred per cent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date with respect to the

Bonds of such Series and maturity and the principal amount of such Bonds to be redeemed by operation of the Sinking Fund Installment Account on the due date of such Sinking Fund Installment shall be reduced accordingly, and any excess over such principal amount shall be credited on future Sinking Fund Installments in direct chronological order, and the principal amount of the Bonds to be redeemed by application of Sinking Fund Installment payments shall be accordingly reduced.

(g) The Institution shall on or before the forty-fifth (45th) day next preceding each Sinking Fund Installment payment date furnish the Trustee with the certificate of an Authorized Representative of the Institution indicating whether or not and to what extent the provisions of this Section are to be availed of with respect to such Sinking Fund Installment payment, stating, in the case of the credit provided for, that such credit has not theretofore been applied against any Sinking Fund Installment and confirming that immediately available cash funds for the balance of the next succeeding prescribed Sinking Fund Installment payment will be paid on or prior to the next succeeding Sinking Fund Installment payment date.

(h) Moneys in the Redemption Account of the Bond Fund which are not set aside or deposited for the redemption or purchase of Bonds shall be transferred by the Trustee to the applicable Interest Account, Principal Account or the Sinking Fund Installment Account of the Bond Fund.

Section 5.06. **Payments into Earnings Fund; Application of Earnings Fund**. (a) All investment income or earnings on amounts held in the Project Fund, the Renewal Fund, the Debt Service Reserve Fund, or any other special fund (other than the Rebate Fund or the Bond Fund) shall be deposited upon receipt by the Trustee into the Earnings Fund. The Trustee shall keep separate accounts of all amounts deposited in the Earnings Fund and by journal entry indicate the source of the income or earnings.

(b) On the first Business Day following each Computation Period (as defined in the Tax Certificate), the Trustee shall withdraw from the Earnings Fund and deposit to the Rebate Fund an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the Computation Period. In the event of any deficiency, the balance required shall be provided by the Institution pursuant to the Tax Certificate. Computations of the amounts on deposit in each Fund and of the Rebate Amount shall be furnished to the Trustee by the Institution in accordance with the Tax Certificate.

(c) The foregoing notwithstanding, the Trustee shall not be required to transfer amounts from the Earnings Fund to the Rebate Fund (and shall instead apply such amounts in the Earnings Fund as provided in the immediately following sentence), if the Institution shall deliver to the Trustee a certificate of an Authorized Representative of the Institution to the effect that (x) the applicable requirements of a spending exception to rebate has been satisfied as of the relevant semiannual period as set forth in the Tax Certificate, (y) the proceeds of the Bonds have been invested in obligations the interest on which is not included in gross income for federal income tax purposes under Section 103 of the Code or (z) the proceeds of the Bonds have been invested in obligations the Yield on which (calculated as set forth in the Tax Certificate) does not exceed the Yield on such Bonds (calculated as set forth in the Tax Certificate). Any amounts on deposit in the Earnings Fund following the transfers to the Rebate Fund required by this Section shall be deposited in the Project Account of the Project Fund until the Project Completion Date, and thereafter in the Interest Account of the Bond Fund.

Section 5.07. **Payments into Rebate Fund; Application of Rebate Fund**. (a) The Rebate Fund and the amounts deposited therein shall not be subject to a Lien in favor of the Trustee, any Bondholder or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount (as defined in the Tax Certificate) from an Authorized Representative of the Institution, shall deposit in the Rebate Fund within sixty (60) days following each Computation Date (as defined in the Tax Certificate), an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such Computation Date. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the Project pursuant to Section 3.2(f) of the Loan Agreement or the restoration of the Facility pursuant to Section 5.03, at any time during a Bond Year, the Trustee shall deposit in the Rebate Fund at that time an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated at the completion of the Project or the restoration of the Facility as aforesaid. The amount deposited in the Rebate Fund pursuant to the previous sentences shall be withdrawn from the Earnings Fund. If the amount on deposit in the Rebate Fund following such deposit is less than the Rebate Amount, the Trustee shall promptly deliver a notice stating the amount of such deficiency to the Institution. It is provided in the Loan Agreement that promptly upon receipt of such notice, the Institution shall deliver the amount necessary to make up such deficiency to the Trustee for deposit in the Rebate Fund.

(c) If within sixty (60) days following any Computation Date, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall withdraw such excess amount and deposit it in the Project Account of the Project Fund until the completion of the Project as provided in Section 3.2(f) of the Loan Agreement, or, after the completion of the Project, deposit it in the Interest Account of the Bond Fund.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the Closing Date, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount with respect to the Initial Bonds as of the date of such payment and (ii) notwithstanding the provisions of Article XI, not later than thirty (30) days after the date on which all Initial Bonds have been paid in full, 100% of the Rebate Amount not previously paid as of the date of payment.

Section 5.08. **Transfer to Rebate Fund**. The Trustee shall have no obligation under this Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the Institution to make such transfer.

Section 5.09. **Investment of Funds and Accounts**. (a) Amounts in any Fund or Account established under this Indenture may, if and to the extent then permitted by law, be invested only in Qualified Investments provided that any Qualified Investment shall not have a maturity date greater than five (5) years from the date of the making of such investment unless such Qualified Investment may be put at par at any time at the option of the Holder thereof. Any investment herein authorized is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. In particular, unexpended Bond proceeds transferred from the Project Fund (or from the Earnings Fund with respect to amounts deposited therein from the Project Fund) to the Redemption Account of the Bond Fund pursuant to Section 5.02(e) may not be invested at a Yield (as defined in the Tax Certificate) which is greater than the Yield on the applicable Series of Bonds. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the Institution; and if such investment is to be in one or more certificates of deposit, investment agreements or guaranteed investment contracts, then such written request shall include written assurance to the effect that such investment complies with the Tax Certificate. Any investment hereunder shall be made in accordance with the Tax Certificate, and the Institution shall so certify to the Trustee with each

such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall be credited and losses charged to (i) the Rebate Fund with respect to the investment of amounts held in the Rebate Fund, (ii) the Accounts of the Bond Fund with respect to the investment of amounts held in such Accounts of the Bond Fund, and (iii) the Earnings Fund with respect to the investment of amounts held in any other Fund.

(b) At the written request of an Authorized Representative of the Institution no sooner than ten (10) days prior to each Loan Payment Date under the Loan Agreement, the Trustee shall notify the Institution of the amount of such net investment income or gain received and collected subsequent to the last such loan payment and the amount then available in the various Accounts of the Bond Fund.

(c) Upon the written direction of an Authorized Representative of the Institution, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The Trustee shall not be liable for losses incurred as a result of actions taken in good faith in accordance with this Section 5.09(c). As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Issuer and the Institution.

(d) Neither the Trustee nor the Issuer shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested in accordance with this Indenture. The investments authorized by this Section 5.09 shall at all times be subject to the provisions of applicable law, as amended from time to time.

(e) In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee one month prior to each Interest Payment Date.

The fair market value of Qualified Investments shall be determined as follows:

(i) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(iii) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of "fair market value" shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

(f) With regard to the applicable Debt Service Reserve Account in the Debt Service Reserve Fund, a "surplus" means the amount by which the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement for such account. On each Debt Service Reserve Fund Valuation Date, and upon any withdrawal from the applicable account in the Debt Service Reserve Fund, the Trustee shall determine the amount on deposit in each such account. If on any such date a deficiency exists, the Trustee shall notify the Issuer, the Bondholder Representative and the Institution of such deficiency and that such deficiency must be replenished by the Institution in accordance with Section 5.13 and as required by Section 4.3(a)(vi) of the Loan Agreement. If a surplus exists, the Trustee shall notify the Issuer and the Institution thereof and, subject to the requirements of the Tax Certificate, shall upon written instructions of the Institution transfer an amount equal to such surplus to the Project Fund until the Project Completion Date and thereafter shall transfer such amount to the Interest Account of the Bond Fund.

(g) No brokerage confirmations will be provided by the Trustee for so long as the Trustee provides periodic statements to the Issuer and the Institution that include investment activity.

Section 5.10. **Application of Moneys in Certain Funds for Retirement of Bonds**. Notwithstanding any other provisions of this Indenture, if on any Interest Payment Date or redemption date the amounts held in the Funds established under this Indenture (other than the Earnings Fund and the Rebate Fund) are sufficient to pay one hundred percent (100%) of the principal or Redemption Price, as the case may be, of all Outstanding Bonds and the interest accruing on such Bonds to the next date on which such Bonds are redeemable or payable, as the case may be, whichever is earlier, the Trustee shall so notify the Issuer and the Institution. Upon receipt of written instructions from an Authorized Representative of the Institution directing such redemption, the Trustee shall proceed to redeem all such Outstanding Bonds in the manner provided for redemption of such Bonds by this Indenture.

Section 5.11. **Repayment to the Institution from the Funds**. After payment in full of the Bonds (in accordance with Article XI) and the payment of all fees, charges and expenses of the Issuer, the Trustee, the Bondholder Representative, the Bond Registrar and the Paying Agent and all other amounts required to be paid hereunder and under each of the Project Documents, and the payment of any amounts which the Trustee is directed to rebate to the federal government pursuant to this Indenture and the Tax Certificate, all amounts remaining in any Fund shall be paid to the Institution upon the expiration or sooner termination of the term of the Loan Agreement as provided in Section 4.3(g) of the Loan Agreement.

Section 5.12. **Non-presentment of Bonds**. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, and funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, together with interest to the date on which principal is due, all liability of the Issuer to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to pay such funds to the Person entitled thereto or if the Person is not known to the Trustee, to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond. Such amounts so held shall, pending payment to the Holder of such Bond, (y) be subject to any rebate requirement as set forth in the Tax Certificate or this Indenture, and (z) shall be uninvested, or, if invested, invested or re-invested only in Government Obligations maturing within thirty (30) days. Funds remaining with the Trustee as above and unclaimed for the earlier of two (2) years or one month less than the applicable statutory escheat period shall be paid to the Institution. After the payment of such unclaimed moneys to the Institution, the Holder of such

Bond shall thereafter look only to the Institution for the payment thereof, and all obligations of the Trustee or such Paying Agent with respect to such moneys shall thereupon cease.

Section 5.13. **Debt Service Reserve Fund**. (a) If on any date required for the payment of interest on Bonds of a Series, the amount in the Interest Account of the Bond Fund (after taking into account amounts available to be transferred to the Interest Account from the Capitalized Interest Account of the Project Fund designated for such Series of Bonds) available to be applied to the payment of such interest shall be less than the amount of interest then due and payable on such Bonds, the Trustee forthwith shall transfer moneys from the account in the Debt Service Reserve Fund designated for such Series of Bonds to the Interest Account, to the extent of amounts available in such account in the Debt Service Reserve Fund, an amount equal to the amount of such deficiency; provided, however, that the amount so transferred shall be applied only to the payment of such interest on the Bonds of such Series and not to the payment of interest or any other amounts payable with respect to Bonds of any other Series.

If on any date required for the payment of principal of Bonds of a Series on the maturity date thereof, the amount in the Principal Account of the Bond Fund available to be applied to the payment of such principal shall be less than the amount of principal of such Bonds then due and payable, the Trustee forthwith shall transfer moneys from the account in the Debt Service Reserve Fund designated for such Series of Bonds to the Principal Account, to the extent of amounts available in such account in the Debt Service Reserve Fund, an amount equal to the amount of such deficiency; provided, however, that the amount so transferred shall be applied only to the payment of such principal of the Bonds of such Series and not to the payment of principal or any other amounts payable with respect to Bonds of any other Series.

If on any date required for the payment of a Sinking Fund Installment for a Series of Bonds, the amount in the Sinking Fund Installment Account of the Bond Fund available to be applied to the payment of such Sinking Fund Installment shall be less than the amount of such Sinking Fund Installment then due and payable, the Trustee forthwith shall transfer moneys from the account in the Debt Service Reserve Fund designated for such Series of Bonds to the Sinking Fund Installment Account, to the extent of amounts available in such account in the Debt Service Reserve Fund, an amount equal to the amount of such deficiency; provided, however, that the amount so transferred shall be applied only to the payment of such Sinking Fund Installment for such Series of Bonds and not to the payment of Sinking Fund Installments or any other amounts payable with respect to Bonds of any other Series.

(b) The Trustee shall give to the Institution on or prior to each Loan Payment Date on which the Institution is obligated pursuant to Section 4.3(a)(vi) of the Loan Agreement to pay to the Trustee amounts in respect of any deficiency in an account in the Debt Service Reserve Fund, telephonic notice (to be promptly confirmed in writing) specifying the amount of such deficiency and requesting the Institution to deliver such amount to the Trustee in accordance with said Section of the Loan Agreement. The Trustee shall deposit in such account of the Debt Service Reserve Fund the amount so delivered by the Institution. The failure of the Trustee to deliver such notice or any defect in such notice shall not relieve the Issuer from any of its obligations hereunder or any other obligor from any of its obligations under any of the Security Documents.

ARTICLE VI

REDEMPTION OF BONDS

Section 6.01. **Privilege of Redemption and Redemption Price**. Bonds or portions thereof subject to redemption prior to maturity shall be redeemable, upon mailed notice as

provided in this Article, at the times, at the Redemption Prices and upon such terms in addition to and consistent with the terms contained in this Article as shall be specified in this Indenture and in said Bonds.

Section 6.02. **Selection of Bonds to be Redeemed**. In the event of redemption of less than all the Outstanding Bonds of the same Series and maturity, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its discretion may deem fair, except that (i) Bonds of a Series to be redeemed from Sinking Fund Installments shall be redeemed by lot, and (ii) to the extent practicable, the Trustee shall select Bonds of a Series for redemption such that no Bond of such Series shall be of a denomination of less than the Authorized Denomination for such Series of Bonds. In the event of redemption of less than all the Outstanding Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Bonds to be redeemed shall be applied, as directed by the Institution, in inverse order of maturity of the Outstanding Series of Bonds to be redeemed and by lot within a maturity. The portion of Bonds of any Series to be redeemed in part shall be in the principal amount of the minimum Authorized Denomination thereof or some integral multiple thereof and, in selecting Bonds of a particular Series for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of such Series which is obtained by dividing the principal amount of such registered Bond by the minimum Authorized Denomination thereof (referred to below as a "unit") then issuable rounded down to the integral multiple of such minimum Authorized Denomination. If it is determined that one or more, but not all, of the units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Bond shall forthwith surrender such Bond to the Trustee for (a) payment to such Holder of the Redemption Price of the unit or units of principal amount called for redemption and (b) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Bond of a denomination greater than a unit shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Section 6.03. **Notice of Redemption**. When redemption of any Bonds is requested or required pursuant to this Indenture, the Trustee shall give notice of such redemption in the name of the Issuer, specifying the name of the Series, CUSIP number, Bond numbers, the date of original issue of such Series, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Bonds or portions thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Bonds or portions thereof to be payable and, if less than all of the Bonds of any maturity are to be redeemed, the numbers of such Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Issuer, (i) shall mail a copy of such notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, to the registered Holders of any Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series of Bonds with respect to which proper mailing was effected; and (ii) cause notice of such redemption to be sent to the national information service that disseminates redemption notices. Any notice mailed as

provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered Holder receives the notice. In the event of a postal strike, the Trustee shall give notice by other appropriate means selected by the Trustee in its discretion. If any Bond shall not be presented for payment of the Redemption Price within sixty (60) days of the redemption date, the Trustee shall mail a second notice of redemption to such Holder by first class mail, postage prepaid. Any amounts held by the Trustee due to non-presentment of Bonds for payments on or after any redemption date shall be retained by the Trustee for a period of at least one year after the final maturity date of such Bonds. Further, if any Holders of Bonds shall constitute registered depositories, the notice of redemption described in the first sentence of this Section 6.03 shall be mailed to such Holders at least two (2) days prior to the mailing of such notice to all Holders.

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

Under no circumstances shall the Trustee be required to expend any of its own funds for any purpose for which funds are to be disbursed under this Indenture.

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

Section 6.04. **Payment of Redeemed Bonds**. (a) Notice having been given in the manner provided in Section 6.03, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date on which the Holder of the Bonds called for redemption shall have received payment in full together with all accrued interest, (i) interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (ii) the Bonds or portions thereof so called for redemption shall cease to be entitled to any Lien, benefit or security under this Indenture, and (iii) the Holders of the Bonds or portions thereof so called for redemption shall have no rights in respect thereof.

(b) Subject to Section 2.09 hereof, payment of the Redemption Price plus interest accrued to the redemption date shall be made to or upon the order of the registered Holder only upon presentation of

such Bonds for cancellation and exchange as provided in Section 6.05; provided, however, that any Holder of at least $1,000,000 in original aggregate principal amount of the Initial Bonds may, by written request to the Trustee no later than five (5) days prior to the date of redemption, direct that payments of Redemption Price and accrued interest to the date of redemption be made by wire transfer as soon as practicable after tender of the Bonds in federal funds at such wire transfer address as the Holder shall specify to the Trustee in such written request.

Section 6.05. **Cancellation of Redeemed Bonds**. (a) All Bonds redeemed in full under the provisions of this Article, shall forthwith be cancelled and returned to the Issuer and no Bonds shall be executed, authenticated or issued hereunder in exchange or substitution therefor, or for or in respect of any paid portion of a Bond.

(b) If there shall be drawn for redemption less than all of a Bond, as described in Section 6.02, the Issuer shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the Holder thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds of like Series and maturity in any of the authorized denominations.

ARTICLE VII

PARTICULAR COVENANTS

Section 7.01. **Payment of Principal and Interest**. The Issuer covenants that it will from the sources herein contemplated promptly pay or cause to be paid the principal or Redemption Price of, and Sinking Fund Installments for, the Bonds, together with interest accrued thereon, at the place, on the dates and in the manner provided in this Indenture and in the Bonds according to the true intent and meaning thereof.

Section 7.02. **Performance of Covenants; Authority**. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly its Organizational Documents, to issue the Bonds authorized hereby and to execute this Indenture, to make the Loan to the Institution pursuant to the Loan Agreement and the Promissory Note, to assign the Loan Agreement and the Promissory Note and to pledge the loan payments, revenues and receipts hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders and Beneficial Owners thereof are and will be the valid and enforceable special limited revenue obligations of the Issuer according to the import thereof.

Section 7.03. **Books and Records; Certificate as to Defaults**. The Issuer and the Trustee each covenant and agree that, so long as any of the Bonds shall remain Outstanding, proper books of record and account will be kept showing complete and correct entries of all transactions relating to the Project and the Facility, and that the Bondholders and Bondholder Representative shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. In this regard, so long as the Loan Agreement is in full force and effect, records furnished by the Issuer and the Institution to, or kept by, the Trustee in connection with its duties as such shall be deemed to be in compliance with the Issuer's obligations under this Section 7.03. Within thirty (30) days after receiving the certificate from the Institution as provided in Section 8.26(b) of the Loan Agreement, the Trustee shall render to the Issuer a statement that moneys received by the Trustee pursuant to the Loan Agreement and the Promissory Note

were applied by it to the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds, at the place, on the dates and in the manner provided in this Indenture and that the Trustee has no knowledge of any defaults under this Indenture, the Promissory Note or the Loan Agreement or any other Security Document or specifying the particulars of such defaults which may exist.

Upon reasonable written request, the Trustee shall make available to the Institution and the Bondholder Representative for its inspection during normal business hours, its records with respect to the Project and the Facility.

The Trustee agrees that, upon the written request of the Institution or the Issuer, it will, not more than twice in each calendar year, provide a statement to the requesting party setting forth the principal amount of Bonds Outstanding as of the date of such statement.

Section 7.04. **Loan Agreement**. An executed copy of the Loan Agreement will be on file in the office of the Issuer and in the designated corporate trust office of the Trustee. Reference is hereby made to the Loan Agreement for a detailed statement of the terms and conditions thereof and for a statement of the rights and obligations of the parties thereunder. All covenants and obligations of the Institution under the Loan Agreement shall be enforceable either by the Issuer or by the Trustee, to whom, in its own name or in the name of the Issuer, is hereby granted the right, to the extent provided therefor in this Section 7.04 and subject to the provisions of Section 9.02, to enforce all rights of the Issuer and all obligations of the Institution under the Loan Agreement, whether or not the Issuer is enforcing such rights and obligations. The Trustee shall take such action in respect of any matter as is provided to be taken by it in the Loan Agreement (including, without limitation, Sections 3.5, 6.3 and 8.10 thereof) upon compliance or noncompliance by the Institution and the Issuer with the provisions of the Loan Agreement relating to the same.

Section 7.05. **Creation of Liens; Indebtedness**. It is the intention of the Issuer and the Trustee that the Mortgage is and will continue to be a mortgage lien upon the Mortgaged Property. The Issuer shall not create or suffer to be created, or incur or issue any evidences of indebtedness secured by, any Lien upon or pledge of the Trust Estate, except the Lien created by this Indenture and the other Security Documents.

Section 7.06. **Ownership; Instruments of Further Assurance**. The Trustee on behalf of the Institution, subject to Section 7.04 and only upon the written direction of any Bondholder, the Majority Holders or the Bondholder Representative, shall defend the interest of the Institution in the Facility and every part thereof for the benefit of the Holders of the Bonds, to the extent permitted by law, against the claims and demands of all Persons whomsoever. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the property described herein and in the remainder of the Trust Estate, subject to the Liens of this Indenture and of the other Security Documents and the loan payments, revenues and receipts pledged hereby to the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the Lien hereof and of the other Security Documents shall ipso facto, and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the Lien of this Indenture and the Mortgage as fully and completely as though specifically described herein and therein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer heretofore made by this Section 7.06.

Section 7.07. **Security Agreement; Filing**. (a) This Indenture constitutes a "security agreement" within the meaning of Article 9 (Secured Transactions) of the New York State Uniform Commercial Code. The security interest of the Trustee, as created by this Indenture, in the rights and other intangible interests described herein, shall be perfected by the filing of a financing statement by the Institution, at the direction of the Issuer, in the office of the Secretary of State of the State in the City of Albany, New York, which financing statement shall be in accordance with the New York State Uniform Commercial Code-Secured Transactions. Subsequent to the foregoing filings, this Indenture shall be re-indexed, and financing and continuation statements shall be filed and re-filed, by the Trustee whenever in the Opinion of Counsel to the Institution (which opinion shall be reasonably acceptable to and addressed to the Trustee) such action is necessary to preserve the Lien hereof. Any such filings or re-filings shall be prepared and filed by the Institution and delivered to the Trustee (if electronic filing is not elected by the Issuer) on a timely basis accompanied by any fees or requisite charges and the Opinion of Counsel referred to above. The Trustee will thereupon effect any such filings and re-filings of financing and continuation statements in said office of the Secretary of State, and promptly notify the Institution of any such filings.

(b) The Issuer and the Trustee acknowledge that, as of the Closing Date,

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

(ii) Section 9-102(67) of the New York State Uniform Commercial Code defines a "public-finance transaction" as a secured transaction in connection with which (x) debt securities are issued, (y) all or a portion of the debt securities issued have an initial stated maturity of at least twenty (20) years, and (z) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a security interest is a state or a governmental unit of a state, and

(iii) subject to any future change in law, the initial financing statement as shall be filed with respect to the security interest described above shall therefore have an effective period of thirty (30) years after the date of filing, for the purpose of determining the date by which continuation statements shall be filed.

(c) The parties hereto acknowledge and agree that, because the foregoing financing statements evidence collateral for the Initial Bonds, and because the Initial Bonds are municipal debt securities with a term that is at least twenty (20) years in duration, there is no need under the Uniform Commercial Code of the State of New York to re-file such financing statements in order to preserve the Liens that they create for the period commencing with the Closing Date and terminating on the thirtieth anniversary of the Closing Date.

Subsequent to the initial filings, if it is necessary to re-file financing statements and/or file continuation statements and/or take any other actions to preserve the Lien of this Indenture (individually or collectively, the "**Continuation Action(s)**"), then the Institution in a timely manner shall: (A) as applicable, (i) prepare and deliver to the Trustee all necessary instruments and filing papers, together with remittances equal to the cost of required filing fees and other charges, so that the Trustee may perform the Continuation Actions, or (ii) electronically perform the Continuation Actions and deliver to the Trustee written certification (upon which the Trustee may conclusively rely) that such performance has occurred, specifying the Continuation Actions performed, or (iii) perform some of the Continuation Actions in the manner described in clause "(i)" and the others in the manner described in clause "(ii)";

and (B) if requested by the Trustee (acting at the direction of the Bondholder Representative or, if no Bondholder Representative exists, the Majority Holders) or the Issuer, deliver or cause to be delivered to the Issuer and the Trustee the Opinion of Counsel to the Institution as described below. The Trustee may conclusively rely upon (y) when applicable, the certification referred to in clause "(A)(ii)," and (z) in all instances, the Opinion of Counsel to the Institution. In the event the Institution chooses to have the Trustee perform all or some of the Continuation Actions, as provided in clause "(A)(i)", the Trustee shall reasonably promptly perform such Continuation Actions at the Institution's sole expense. The Institution shall perform the obligations described hereinabove in clauses "(A)" (in every case) and "(B)" (if so requested) no later than ten (10) days prior to (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) each fifth (5th) anniversary thereafter, and/or (ii) the date (not covered by clause "(i)") on which a Continuation Action is to be taken to preserve the Lien of this Indenture.

If an Opinion of Counsel to the Institution is requested pursuant to clause "(B)", then the Opinion of Counsel to the Institution shall be addressed to the Institution, the Issuer and the Trustee. If so requested, the Institution shall deliver successive Opinions of Counsel in respect of (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) every five-year anniversary thereafter through the term of the Initial Bonds, and/or (ii) the date of any required Continuation Action not covered by clause "(i)," in each case not later than fifteen (15) days prior to the date on which a Continuation Action is required to be taken. In the Opinion of Counsel to the Institution, counsel shall opine as to: (i) what Continuation Actions are necessary; and (ii) the deadline dates for the required Continuation Actions; and (iii) the jurisdictions in which the Continuation Actions must be effected. Counsel in such opinion shall additionally opine that, upon performance of the Continuation Actions by, as the case may be, (i) the Trustee with instruments and papers prepared by the Institution, or (ii) the Institution through electronic filing, or (iii) the Trustee as to some Continuation Actions, and the Institution as to the others through electronic filings, all appropriate steps shall have been taken on the part of the Institution, the Issuer and the Trustee then requisite to the maintenance of the perfection of the security interest of the Trustee in and to all property and interests which by the terms of this Indenture are to be subjected to the lien and security interest of this Indenture.

(i) Any filings with respect to Uniform Commercial Code financing statements may be made electronically, and the Issuer shall have the right to designate a company (which shall be reasonably acceptable to the Trustee) to facilitate the filing of Uniform Commercial Code financing statements.

(ii) The Trustee acknowledges and agrees (on behalf of itself and the Bondholders) that neither the Issuer, nor any of its directors, members, officers, employees, servants, agents, persons under its control or supervision, or attorneys (including Nationally Recognized Bond Counsel to the Issuer), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(iii) All costs (including reasonable attorneys' fees and expenses) incurred in connection with the effecting of the requirements specified in this Section shall be paid by the Institution.

Section 7.08. **Issuer Tax Covenant**. The Issuer covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the Institution or the Trustee, that would cause the interest on the Bonds to become includable in gross income for federal income tax purposes; provided, however, the breach of this covenant shall not result in any pecuniary

liability of the Issuer and the only remedy to which the Issuer shall be subject shall be specific performance.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES OF BONDHOLDERS

Section 8.01. **Events of Default; Acceleration of Due Date**. (a) Each of the following events is hereby defined as and shall constitute an "Event of Default":

(1) Failure in the payment of the interest on any Bond when the same shall become due and payable;

(2) Failure in the payment of the principal or redemption premium, if any, of, or Sinking Fund Installment for, any Bonds, when the same shall become due and payable, whether at the stated maturity thereof or upon proceedings for redemption thereof or otherwise, or interest accrued thereon to the date of redemption after notice of redemption therefor or otherwise;

(3) Failure of the Issuer to observe or perform any covenant, condition or agreement in the Bonds or hereunder on its part to be performed (except as set forth in Section 8.01(a)(1) or (2)) and (A) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Issuer and the Institution specifying the nature of same from the Trustee or the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders), or (B) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Issuer or the Institution fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within sixty (60) days of delivery of said notice; or

(4) The occurrence of an "Event of Default" under the Loan Agreement or any other Project Document.

(b) Upon the happening and continuance of any Event of Default, unless the principal of all the Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Issuer and the Institution) or the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) (by notice in writing to the Issuer, the Institution and the Trustee) may declare the principal or Redemption Price, if any, of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in this Indenture or in any of the Bonds contained to the contrary notwithstanding.

(c) If there shall occur an Event of Default under Section 9.1(e) or (f) of the Loan Agreement, the unpaid principal of all the Bonds (and all principal installments of loan payments under the Loan Agreement) and the interest accrued thereon shall be due and payable immediately without the necessity of any declaration or other action by the Trustee or any other Person.

(d) The right of the Trustee or of the Bondholder Representative (or, if no Bondholder Representative exists, of the Majority Holders) to make any such declaration as aforesaid, however, is subject to the condition that if, at any time before such declaration, all overdue installments of principal of

and interest on all of the Bonds which shall have matured by their terms and the unpaid Redemption Price of the Bonds or principal portions thereof to be redeemed has been paid by or for the account of the Issuer, and all other Events of Default have been otherwise remedied, and the reasonable and proper charges, expenses and liabilities of the Trustee and the Bondholder Representative, shall either be paid by or for the account of the Issuer or provision satisfactory to the Trustee shall be made for such payment and the Facility shall not have been sold or otherwise encumbered, and all defaults have been otherwise remedied as provided in this Article VIII, then and in every such case any such default and its consequences shall ipso facto be deemed to be annulled, but no such annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

(e) Pursuant to the Loan Agreement, the Issuer has granted to the Institution full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in any notice received by the Institution to constitute a default hereunder, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee agrees to accept such performance by the Institution as performance by the Issuer.

Section 8.02. **Enforcement of Remedies**. (a) Upon the occurrence and continuance of any Event of Default, then and in every case the Trustee may proceed, and upon the written request of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) shall proceed, to protect and enforce its rights and the rights of the Bondholders under the Bonds, the Loan Agreement, this Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in this Indenture or in any other Security Document or in aid of the execution of any power granted in this Indenture or in any other Security Document or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under this Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee hereunder or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable.

(b) In the enforcement of any right or remedy under this Indenture or under any other Security Document, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Issuer, for principal, interest, Sinking Fund Installments, Redemption Price, or otherwise, under any of the provisions of this Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under this Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Issuer, but solely as provided in this Indenture and in the Bonds, for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in this Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the Institution or the Issuer or their creditors or property.

(c) Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders), and furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings

as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture or under any other Security Document by any acts which may be unlawful or in violation of this Indenture or of such other Security Document or Project Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of this Indenture and, unless otherwise expressly provided for herein.

Section 8.03. **Application of Revenues and Other Moneys After Default.** (a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to Section 9.04, as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First - To the payment to the Persons entitled thereto of all installments of interest then due on the Outstanding Bonds, in the order of the maturity of the installments of such interest, together with interest on such installment at the applicable Default Rate and, if the amount available shall not be sufficient to pay in full any particular installment and the interest thereon, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second - To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Outstanding Bonds or principal installments which shall have become due, in the order of their due dates, with interest on such unpaid amounts, at the applicable Default Rate, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become or have been declared due and payable, to the payment to the Bondholders of the principal and interest (at the applicable Default Rate) then due and unpaid upon the Bonds and if applicable to the Redemption Price of the Bonds without preference or priority of principal over interest or of interest over principal, Sinking Fund Installments, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VIII, then, subject to the provisions of Section 8.03(a)(ii) which shall be applicable in the event that the principal of all the Bonds shall later become due and payable, the moneys shall be applied in accordance with the provisions of Section 8.03(a)(i).

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; provided, however, that if the principal or Redemption Price of the Bonds Outstanding, together with accrued interest thereon, shall have been declared to be due and payable pursuant to Section 8.01. The Trustee shall give such written notice to all Bondholders as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.04. **Actions by Trustee**. All rights of actions under this Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 8.03, be for the equal benefit of the Outstanding Bonds.

Section 8.05. **Majority Holders or Bondholder Representative Control Proceedings**. Anything in this Indenture to the contrary notwithstanding, the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 8.06. **Individual Bondholder Action Restricted**. (a) No Beneficial Owner or Holder of any Bond, other than the Bondholder Representative which may direct the Trustee to undertake any enforcement action including to institute any suit, action or proceeding at law or in equity in accordance with Section 8.05, shall have any right to institute any suit, action or proceeding at law or in equity (i) with respect to the Bonds, this Indenture or any other Security Document, (ii) for the enforcement of any provisions of the Bonds, this Indenture or of any other Security Document, (iii) for the execution of any trust under this Indenture or (iv) for any remedy under the Bonds, this Indenture or under any other Security Document, unless (x) such Beneficial Owner or Holder shall have previously given to the Trustee and the Bondholders' Representative written notice of the occurrence of an Event of Default as provided in this Article, and (y) the Majority Holders shall have filed a written request with the Trustee and the Bondholders' Representative, and shall have offered each of them reasonable opportunity either to exercise the powers granted in the Bonds, this Indenture or in such other Security Document or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Majority Holders shall have offered to the Trustee and the Bondholder Representative adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee or Bondholder Representative shall have refused to comply with such request for a period of sixty (60) days after receipt by them of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of the Bonds or this Indenture shall be instituted, had and maintained in the manner provided in

this Indenture. In the event that the Bondholder Representative directs the Trustee to take action under Section 8.05, the Bondholder Representative shall indemnify the Trustee to its reasonable satisfaction against any and all reasonable costs and expenses incurred by the Trustee for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct or gross negligence. The wages, salaries or other compensation of persons employed by the Trustee shall not constitute costs or expenses for which indemnification must be given. Any amounts paid by the Bondholder Representative on account of its obligation to indemnify the Trustee shall be paid to the Bondholder Representative, plus interest at the interest rate payable on the Bonds after default, prior to any payment on account of the Bonds.

(b) Nothing contained in this Indenture, in any other Security Document or in the Bonds shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner herein and in said Bonds expressed.

Section 8.07. **Effect of Discontinuance of Proceedings**. In case any proceedings taken by the Trustee or the Bondholder Representative on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or the Bondholder Representative, then and in every such case, the Institution, the Issuer, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee and the Bondholder Representative shall continue as in effect prior to the commencement of such proceedings.

Section 8.08. **Remedies Not Exclusive**. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholder Representative or to the Holders of the Bonds is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Indenture or now or hereafter existing at law or in equity or by statute.

Section 8.09. **Delay or Omission**. No delay or omission of the Trustee or the Bondholder Representative or of any Holder of the Bonds to exercise any right or power arising upon any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee, the Bondholder Representative or the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee, by the Bondholder Representative or by the Bondholders.

Section 8.10. **Notice of Default**. The Trustee shall promptly mail to the Issuer, to the Bondholder Representative, to registered Holders of Bonds and to the Institution by first class mail, postage prepaid, written notice of the occurrence of any Event of Default. The Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required by this Section.

Section 8.11. **Waivers of Default**. The Trustee shall waive any default hereunder and its consequences and rescind any declaration of acceleration only upon the written request of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders); provided, however, that, if there be no Bondholder Representative, there shall not be waived without the consent of the Holders of at least seventy percent (70%) in aggregate principal amount of the Bonds then Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such

waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, or in case any proceeding taken by the Trustee or the Bondholder Representative on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee or the Bondholder Representative, then and in every such case the Institution, the Issuer, the Trustee, the Bondholder Representative and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 8.12 Issuer Approval of Certain Non-Foreclosure Remedies.

Notwithstanding any other remedy or other action available under this Indenture or otherwise under any other Security Document or at law, no remedy or other action (whether exercised by the Trustee, the Bondholder Representative or the Holders of the Bonds) shall have the effect of (y) modifying or terminating this Indenture or the Loan Agreement (other than a termination of this Indenture in connection with the retirement of all of the Outstanding Bonds in accordance with the discharge provisions of this Indenture) (a "**Security Document Action**") or (z) substituting for the Borrower, a new Entity to either be a counterparty to the Issuer under the Loan Agreement or to use all or a portion of the Facility (a "**Substitute Entity**"), unless, in either case, all material facts relating to either the Mortgage Restructuring, the Security Document Action and/or the Substitute Entity shall have been set forth in a writing delivered to the Issuer and (i) the Mortgage Restructuring, the Security document Action and/or the Substitute Entity shall be approved in writing by the Issuer, such approval not to be unreasonably withheld or delayed (and which approval may, in the sole discretion of the Issuer, be subject to action by the Issuer's Board of Directors), and (ii) there shall be delivered to the Issuer and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such Mortgage Restructuring, Security Document Action and/or Substitute Entity shall not cause the interest on any Outstanding tax-exempt Bonds to become subject to federal income taxation by reason of any such Mortgage Restructuring, Security Document Action and/or Substitute Entity. For the avoidance of doubt, no Issuer consent is required hereby for the commencement of a foreclosure action under the Mortgage. In connection with the retirement or surrender for cancellation of all of the Outstanding Bonds (other than as a result of the payment in full of all Outstanding Bonds), the Trustee hereby agrees to provide written notice to the Issuer of such retirement or cancellation promptly upon the earlier of (i) the Trustee's receipt of direction to effectuate such retirement or cancellation, and (ii) the Trustee's receipt of surrendered Bonds for cancellation, but in no event later than fourteen (14) Business Days after the occurrence of the event set forth in clause (i) or (ii).

ARTICLE IX

TRUSTEE, BOND REGISTRAR AND PAYING AGENT

Section 9.01. Appointment and Acceptance of Duties of Trustee. The entity identified as the Trustee on the cover page hereof is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee hereunder and under each Security Document by executing this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would under a corporate mortgage subject to the express terms and conditions herein. All provisions of this Article IX shall be construed as extending to and including all the rights, duties and obligations imposed upon the Trustee under the Loan Agreement and under any other Security Document to which it shall be a party as fully for all intents and purposes as if this Article IX were contained in the Loan Agreement and each such other Security Document.

Section 9.02. **Indemnity of Trustee**. Other than as provided in Section 8.05, the Trustee shall be under no obligation to institute any suit, or to take any remedial or legal action under this Indenture or under or pursuant to any other Security Document or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps hereunder in the enforcement of any rights and powers or fulfillment of any extraordinary duties under this Indenture, or under any other Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct or gross negligence. Nothing contained herein shall require the indemnification of the Trustee in connection with any action taken directly by the Bondholder Representative or the Majority Holders.

Section 9.03. **Responsibilities of Trustee**. (a) The Trustee shall have no responsibility in respect of the validity or sufficiency of this Indenture or of any other Security Document or the security provided hereunder or thereunder or the due execution of this Indenture by the Issuer, or the due execution of any other Security Document by any party (other than the Trustee) thereto, or in respect of the title or the value of the Facility, or in respect of the validity of the Bonds authenticated and delivered by the Trustee in accordance with this Indenture or to see to the recording or filing of any document or instrument whatsoever except as otherwise provided in Section 7.07. The recitals, statements and representations contained in this Indenture and in the Bonds shall be taken and be construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee does not assume any responsibility for the correctness of the same; provided, however, that the Trustee shall be responsible for its representation contained in its certificate on the Bonds and for its responsibility as to filing or re-filing as contained in Section 7.07.

(b) The Trustee shall not be liable or responsible because of the failure of the Issuer to perform any act required of it by this Indenture or by any other Security Document or because of the loss of any moneys arising through the insolvency or the act or default or omission of any depositary other than itself in which such moneys shall have been deposited under this Indenture or the Tax Certificate. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, invested, withdrawn or transferred in accordance with this Indenture or the Tax Certificate or for any loss resulting from any such investment. The Trustee shall not be liable in connection with the performance of its duties under the Loan Agreement, under this Indenture or under any other Security Document except for its own willful misconduct or gross negligence. The immunities and exemptions from liability of the Trustee shall extend to its directors, officers, employees, agents and servants and persons under the Trustee's control or supervision.

(c) The Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, if any, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent person would exercise under the circumstances in the conduct of his/her own affairs. The Trustee shall not be charged with knowledge of the occurrence of an Event of Default unless, (i) the Trustee has not received any certificate, financial statement, insurance notice or other document regularly required to be delivered to the Trustee under the Loan Agreement or any other Security Document, (ii) the Trustee has not received payment of any amount required to be remitted to the Trustee under the Loan Agreement or any other Security Document, (iii) a Responsible Officer of the Trustee has actual knowledge thereof, or (iv) the Trustee has received written notice thereof from the Institution, the Issuer, the Bondholder Representative or any Bondholder. The Trustee shall not be charged with the knowledge of a Determination of Taxability unless the Trustee has received written notice thereof from the Internal Revenue Service, the Institution, the Issuer, the Bondholder Representative or any Bondholder or former Bondholder.

(d) The Trustee shall not be liable or responsible for the failure of the Institution to effect or maintain insurance on the Facility as provided in the Loan Agreement or the Mortgage nor shall it be responsible for any loss by reason of want or insufficiency in insurance or by reason of the failure of any insurer in which the insurance is carried to pay the full amount of any loss against which it may have insured the Issuer, the Institution, the Trustee or any other Person.

(e) The Trustee shall execute and cause to be filed those continuation statements, any additional financing statements and all other instruments required by it by Section 7.07 at the expense of the Institution.

(f) The Trustee shall on the same date as it shall render the statement required of it by Section 7.03, make annual reports to the Issuer and the Institution of all moneys received and expended during the preceding year by it under this Indenture and of any Event of Default known to it under the Loan Agreement or this Indenture or under any other Security Document.

(g) With respect to the Tax Certificate, the Trustee shall not be required to make any payment of a Rebate Amount or any transfer of funds or take any other action required to be taken thereunder except upon the receipt of a written certificate of direction of an Authorized Representative of the Institution delivered to the Trustee in accordance with the terms of the Tax Certificate. Notwithstanding any provision of the Tax Certificate or any other Security Document, nothing in the Tax Certificate, either expressed or implied, shall be deemed to impose upon the Trustee any responsibility for the legal sufficiency of the Tax Certificate to effect compliance with the Code nor any duty to independently review or verify any information or calculation furnished to the Trustee by the Institution.

(h) The permissive right of the Trustee to do things enumerated in this Indenture or the other Security Documents shall not be construed as a duty, and in doing or not doing so the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

Section 9.04. **Compensation of Trustee, Bond Registrar and Paying Agent**. The Trustee, the Bond Registrar and the Paying Agent shall be entitled to receive and collect from the Institution as provided in the Loan Agreement payment or reimbursement for reasonable fees for services rendered hereunder and under each other Security Document and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee, the Bond Registrar or the Paying Agent in connection therewith.

Section 9.05. **Evidence on Which Trustee May Act**. (a) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, it may rely upon any certificate required or permitted to be filed with it under the provisions of this Indenture, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact.

(b) The Trustee may conclusively rely and shall be fully protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or, at the sole cost and expense of the Institution, and when determined necessary in the reasonable discretion of the Trustee, upon the written opinion of any attorney (who may be an attorney for the Issuer or an employee of the Institution),

engineer, appraiser, architect or accountant believed by the Trustee to be qualified in relation to the subject matter.

Section 9.06. **Trustee and Paying Agent May Deal in Bonds**. Any national banking association, bank or trust company acting as a Trustee or Paying Agent, and its respective directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if such association, bank or trust company were not such Trustee or Paying Agent.

Section 9.07. **Resignation or Removal of Trustee**. The Trustee may resign and thereby become discharged from the trusts created under this Indenture for any reason by giving written notice by first class mail, postage prepaid, to the Issuer, to the Institution and to the Holders of all Bonds not less than sixty (60) days before such resignation is to take effect, but such resignation shall not take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.08.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed by the Issuer or the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) or their attorneys-in-fact duly authorized. Such removal shall become effective either upon the appointment and acceptance of such appointment by a successor Trustee or at the date specified in the instrument of removal. The Trustee shall promptly give notice of such filing to the Issuer and the Institution. No removal shall take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.08.

If the Trustee shall resign or shall be removed, such Trustee must transfer and assign to the successor Trustee, not later than the date of this acceptance by the successor Trustee of its appointment as such, or thirty (30) days from the date specified in the instrument of removal or resignation, if any, whichever shall last occur, (i) all amounts (including all investments thereof) held in any Fund or Account under this Indenture, together with a full accounting thereof, (ii) all records, files, correspondence, registration books, Bond inventory, all information relating to this Indenture and to Bond payment status (i.e., outstanding principal balances, principal payment and interest payment schedules, Sinking Fund Installment schedules, pending notices of redemption, payments made and to whom, delinquent payments, default or delinquency notices, deficiencies in any Fund or Account balance, etc.) and all such other information (in whatever form) relating to all Funds and Accounts in the possession of the Trustee being removed or resigning, and (iii) all Security Documents and other documents or agreements, including, without limitation, all Uniform Commercial Code Financing Statements, all insurance policies or certificates, letters of credit or other instruments provided to the Trustee being removed or resigning (clauses (i), (ii) and (iii), together with the Trust Estate, being collectively referred to as the "**Trust Corpus**").

Section 9.08. **Successor Trustee**. (a) If at any time the Trustee shall be dissolved or otherwise become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator thereof, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason or if the Trustee shall resign or be removed, the Institution shall cooperate with the Issuer and the Issuer shall appoint a successor Trustee and shall use its best efforts to obtain acceptance of such trust by the successor Trustee within sixty (60) days from such vacancy or notice of resignation. Within twenty (20) days after such appointment and acceptance, the Issuer shall notify in writing the Institution and the Holders of all Bonds.

(b) In the event of any such vacancy or resignation and if a successor Trustee shall not have been appointed within sixty (60) days of such vacancy or notice of resignation, the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders), by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunto duly authorized and filed with the Issuer, may appoint a successor Trustee which shall, immediately upon its acceptance of such trusts, and without further act, supersede the predecessor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 9.08, within ninety (90) days of such vacancy or notice of resignation, the Bondholder Representative (or, if no Bondholder Representative exists, any Holder of any Bond then Outstanding), the Issuer or any retiring Trustee or the Institution may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under this Section shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States authorized to exercise corporate trust powers under the laws of the State and authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document. At the time of its appointment, any successor Trustee shall (x) have a capital stock and surplus aggregating not less than $100,000,000 and (y) have an investment grade rating of at least "Baa3" or "P-3".

(d) Any predecessor Trustee shall transfer to any successor Trustee appointed under this Section as a result of a vacancy in the position the Trust Corpus by a date not later than thirty (30) days from the date of the acceptance by the successor Trustee of its appointment as such. Where no vacancy in the position of the Trustee has occurred, the transfer of the Trust Corpus shall take effect in accordance with the provisions of Section 9.07.

(e) Every successor Trustee shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, an instrument in writing accepting such appointment, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor, with like effect as if originally named as such Trustee; but such predecessor shall, nevertheless, on the written request of its successor or of the Issuer, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to Section 9.04, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, immunities, powers and trusts of such predecessor and the Trust Corpus; and every predecessor Trustee shall deliver all property and moneys, together with a full accounting thereof, held by it under this Indenture to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such Trustee the estate, properties, rights, immunities, powers and trusts vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Any successor Trustee shall promptly notify the Issuer and the Paying Agent of its appointment as Trustee.

(f) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States and shall be authorized by law and its charter to perform all the duties imposed upon it by this Indenture, including but not limited to subsection (c) of this Section 9.08, and each other Security Document shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

Section 9.09. **Paying Agents**. (a) The Trustee is hereby appointed as Paying Agent for the Bonds. The Issuer may also from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 9.09(b) for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer, and in the case of all Paying Agents other than the Trustee, to the Trustee a written acceptance thereof. The principal offices of the Paying Agents are designated as the respective offices or agencies of the Issuer for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds. Each Paying Agent shall not be liable in connection with the performance of its duties hereunder except for its own willful misconduct or gross negligence.

(b) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days prior written notice to the Issuer and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Issuer. Any successor Paying Agent shall be appointed by the Issuer, with the approval of the Trustee, and shall be a commercial bank or trust company duly organized under the laws of any state of the United States or a national banking association, having a capital stock and surplus aggregating at least $40,000,000, having an investment grade rating of at least "Baa3" or "P-3", and willing and able to accept the office on reasonable and customary terms and authorized by law and its charter to perform all the duties imposed upon it by this Indenture.

(c) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.10. **Appointment of Co-Trustee**. (a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or under any other Security Document, and in particular in case of the enforcement of any powers, rights or remedies on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate trustee or co-trustee. The following provisions of this Section are adapted to these ends.

(b) In the event that the Trustee appoints an additional institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and Lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such co-trustee may be removed by the Trustee at any time, with or without cause.

(c) Should any instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed or removed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates,

properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

(d) No trustee shall be liable for the acts or omissions of any other trustee hereunder.

Section 9.11. **Patriot Act.** The Trustee hereby acknowledges that in accordance with Section 326 of the U.S.A. Patriot Act (being the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as amended, and signed into law October 26, 2001), each depositary bank, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with a depositary bank. The Trustee hereby acknowledges that it shall obtain such information from the other Notice Parties as may be required in order for it to satisfy the requirements of the U.S.A. Patriot Act.

ARTICLE X

BONDHOLDER REPRESENTATIVE

Section 10.01. **Appointment of Bondholder Representative.**

(a) Holders of a majority in aggregate principal amount of the Bonds then Outstanding may, but shall not be required to, from time to time appoint a representative or agent, by giving signed, written notice of such appointment to the Trustee, to act on behalf of the Holders of the Bonds Outstanding hereunder to give any consents, authorizations, or approvals; exercise any rights; or take any other action as may be taken by the Holders of the Bonds or a majority in aggregate principal amount thereof under this Indenture or the Loan Agreement and to be entitled to and to exercise any other rights granted to the Bondholder Representative hereunder or under the Loan Agreement. Upon such appointment, the Trustee shall accept the consent, authorization, or direction of such Bondholder Representative to the extent specified in such notice, as it would accept such action from such Holders of a majority in aggregate principal amount of the Bonds then Outstanding. A Bondholder Representative may be a Holder. The initial Bondholder Representative is Preston Hollow Capital, LLC.

(b) Unless otherwise specified in the notice delivered to the Trustee appointing a Bondholder Representative pursuant to Section 10.01(a), such Bondholder Representative shall be the sole representative of holders of the Bonds hereunder with respect to all matters specifically listed in such notice, until a signed, written notice of the removal of a Bondholder Representative shall be delivered to the Trustee by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding. A Bondholder Representative may resign at any time by delivering written notice thereof to the Trustee. Any notice of removal or resignation meeting the foregoing requirements shall be effective immediately upon receipt thereof by the Trustee. In no event shall more than one Bondholder Representative be appointed.

(c) Any successor Bondholder Representative hereunder shall automatically become a party to each Project Agreement to which the Bondholder Representative is a party without the execution or filing of any paper or the performance of any further act.

Section 10.02. **Notices and Reporting Obligations.** The appointment of a Bondholder Representative shall in no way affect any reporting or notice requirements to the Holders

hereunder or under the Project Documents, except that such Bondholder Representative shall also receive copies of all such reports and notices.

Section 10.03. **Limitation of Liability; Indemnification**. The Holders of the Bonds acknowledge and agree that the Bondholder Representative is appointed by the majority of the Holders. The Bondholder Representative (and its officers, directors, employees agents and representatives) shall: (i) not be liable to any Beneficial Owner of Bonds, for any act or omission in its capacity as Bondholder Representative unless it is determined by a court of competent jurisdiction by a final and non-appealable order that the Bondholder Representative engaged in fraud or that its actions constituted willful misconduct; and (ii) be entitled to treat as genuine any letter or other document furnished to it in its capacity as Bondholder Representative that it believed to be genuine and to have been signed and presented by the proper party or parties. In addition, the Bondholders shall severally, and not jointly, in proportion to each Bondholders' pro rata interest in the Bonds, indemnify and hold harmless the Bondholder Representative (and its officers, directors, employees agents and representatives) against any claims, damages, judgments, loss, liability, cost or expense (including attorney's fees and costs) incurred on the part of the Bondholder Representative and arising out of or in connection with the acceptance, performance or administration of the Bondholder Representative's duties hereunder, including, without limitation, the Bondholder Representative having to indemnify the Trustee for any actions it takes hereunder or under any Project Document. The Bondholders covenant and agree not to commence any action or proceeding in any court against the Bondholder Representative (and its officers, directors, employees agents and representatives), all of which claims shall be subject to mandatory arbitration pursuant to Section 10.05 hereof.

Section 10.04. **Permissive Right**. The permissive right of the Bondholder Representative to act pursuant to this Indenture shall not be construed as a duty, and the Bondholder Representative shall not be answerable with respect to any such permissive right other than for its gross negligence or willful misconduct that the Bondholder Representative is finally adjudicated (sustained on appeal, if any) by a court of competent jurisdiction to have committed. The Bondholder Representative shall have no duties, including no fiduciary or contractual duties, to any Person which are not expressly set forth in this Indenture, and no such duties shall be implied or imposed under any principle of equity. Whenever this Indenture or any other Project Document makes reference to obtaining or granting Bondholder Representative consent or approval, such consent or approval may be granted or withheld by the Bondholder Representative in its sole, absolute and unreviewable discretion.

Section 10.05. **Arbitration**. Any action, claim or proceeding brought against the Bondholder Representative by the Bondholders, or any other party to the Project Documents other than the Trustee or the Issuer shall be determined by arbitration administered by the American Arbitration Association and governed by its arbitration rules in effect as of the date of this Indenture, subject to any modifications contained herein. The number of arbitrators shall be three. The place of arbitration shall be New York, New York, and any and all awards and other decisions shall be deemed to have been made there, without prejudice to the right of the arbitral tribunal to hold hearings, meetings, or sessions any place it deems appropriate. The language of the arbitration shall be English. All and any awards or other decisions of the arbitral tribunal shall be final and binding on the parties. The parties consent to the jurisdiction of the courts of the state of New York to confirm an arbitration award.

Section 10.06. **Control by Bondholder Representative.** Notwithstanding any other provision to the contrary, any discretionary action on the part of the Trustee contained herein or in any Project Document, including, without limitation, any consent or waiver hereunder or thereunder, shall require the prior written consent of the Bondholder Representative, and the Trustee hereby agrees to take such action, or refrain from taking such action, upon the written direction of the Bondholder Representative. If the Trustee fails to take any such action within fifteen (15) days after the written

direction of the Bondholder Representative to take such action, the Bondholder Representative may, but need not, take such action. Notwithstanding the foregoing, the Trustee shall not be required to take any such action at the direction of the Bondholder Representative unless the Bondholder Representative provides indemnification to the Trustee as provided in Section 9.02.

ARTICLE XI

DISCHARGE OF INDENTURE; DEFEASANCE

Section 11.01. **Defeasance**. (a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in this Indenture, and all fees and expenses and other amounts due and payable under this Indenture and the Loan Agreement, and any other amounts required to be rebated to the federal government pursuant to the Tax Certificate or this Indenture, shall be paid in full, then the pledge of any loan payments, revenues or receipts from or in connection with the Security Documents or the Facility under this Indenture and the estate and rights hereby granted, and all covenants, agreements and other obligations of the Issuer to the Bondholders hereunder shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any Lien, benefit or security hereunder, except as to moneys or securities held by the Trustee or the Paying Agent as provided below in this subsection. At the time of such cessation, termination, discharge and satisfaction, (1) the Trustee shall cancel and discharge the Lien of this Indenture and of the Mortgage and execute and deliver to the Institution all such instruments as may be appropriate to satisfy such Liens and to evidence such discharge and satisfaction, and (2) the Trustee and the Paying Agent shall pay over or deliver to the Institution or on its order all moneys or securities held by them pursuant to this Indenture which are not required (i) for the payment of the principal or Redemption Price, if applicable, Sinking Fund Installments for, or interest on Bonds not theretofore surrendered for such payment or redemption, (ii) for the payment of all such other amounts due or to become due under the Project Documents, or (iii) for the payment of any amounts the Trustee has been directed to pay to the federal government under the Tax Certificate or this Indenture.

(b) Any Bonds or interest installments for the payment or redemption of which moneys (or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agent, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section, if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of this Indenture to the Trustee shall have been made for the giving of such notice, and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, (y) provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds of the full amount to which they would be entitled by way of principal or Redemption Price, Sinking Fund Installments, and interest and all other amounts then due under the Project Documents to the date of such maturity or redemption, and (z) provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment on such maturity or redemption date.

Section 11.02. **Defeasance Opinion and Verification.** Prior to any defeasance becoming effective as provided in Section 11.01(b), there shall have been delivered to the Issuer and to

the Trustee (A) an opinion of Nationally Recognized Bond Counsel to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, (B) a verification from an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Issuer and the Trustee) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, Sinking Fund Installments for, interest on, and redemption premium, if any, of the Bonds to be defeased and (C) a defeasance opinion of Nationally Recognized Bond Counsel.

Section 11.03. **No Limitation of Rights of Holders.** No provision of this Article XI, including any defeasance of Bonds, shall limit the rights of the Holder of any Bonds under Section 3.06, 3.07 or 3.09 until such Bonds shall have been paid in full.

ARTICLE XII

AMENDMENTS OF INDENTURE

Section 12.01. **Limitation on Modifications.** This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article. Notwithstanding any provision to the contrary set forth herein, so long as there is a Bondholder Representative, no modification or amendment of this Indenture shall be effective unless the prior written consent of the Bondholder Representative has been received.

Section 12.02. **Supplemental Indentures Without Bondholders' Consent.** (a) The Issuer and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without the consent of the Bondholders, but subject to the consent of the Bondholder Representative, if any, for any of the following purposes:

(1) To cure any formal defect, omission or ambiguity in this Indenture or in any description of property subject to the lien hereof, if such action in the Opinion of Counsel is not materially adverse to the interests of the Bondholders.

(2) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with this Indenture as theretofore in effect (provided that, anything herein to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to this clause (2) which materially and adversely affects any rights, powers and authority of the Institution under the Loan Agreement or requires a revision of the Loan Agreement shall not become effective unless and until the Institution shall have given its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, to such Supplemental Indenture signed by an Authorized Representative of the Institution).

(3) To add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect

(4) To add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect (provided that, anything herein to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to this clause (4) which materially and adversely affects any rights, powers and authority of the

Institution under the Loan Agreement or requires a revision of the Loan Agreement shall not become effective unless and until the Institution shall have given its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, to such Supplemental Indenture signed by an Authorized Representative of the Institution).

(5) To confirm, as further assurance, any pledge under, and the subjection to any Lien or pledge created or to be created by, this Indenture, of the properties of the Facility, or revenues or other income from or in connection with the Facility or of any other moneys, securities or funds, or to subject to the Lien or pledge of this Indenture additional revenues, properties or collateral.

(6) To modify or amend such provisions of this Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure that the interest on the Bonds not be includable in gross income for federal income tax purposes (provided that, anything herein to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to this clause (6) which materially and adversely affects any rights, powers and authority of the Institution under the Loan Agreement or requires a revision of the Loan Agreement shall not become effective unless and until the Institution shall have given its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, to such Supplemental Indenture signed by an Authorized Representative of the Institution).

(7) To effect any other change herein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(8) To modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute (provided that, anything herein to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to this clause (8) which materially and adversely affects any rights, powers and authority of the Institution under the Loan Agreement or requires a revision of the Loan Agreement shall not become effective unless and until the Institution shall have given its written consent, which consent shall not be unreasonably withheld, conditioned or delayed, to such Supplemental Indenture signed by an Authorized Representative of the Institution).

(9) To accommodate the issuance of Additional Bonds in accordance with Section 2.07 hereof.

(b) Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to this Section, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms.

Section 12.03. **Supplemental Indentures With Bondholders' Consent**. (a) Subject to the terms and provisions contained in this Article, the Bondholder Representative (or, if no

Bondholder Representative exists, the Majority Holders) shall have the right from time to time, to consent to and approve the entering into by the Issuer and the Trustee of any Supplemental Indenture as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein. Nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, Sinking Fund Installments for, redemption premium, if any, or interest on any Outstanding Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Bonds, or a reduction in the principal amount of or the Redemption Price of any Outstanding Bond or the rate of interest thereon, or any extension of the time of payment thereof, without the consent of the Holder of such Bond, (ii) the creation of a lien upon or pledge of the Trust Estate other than the liens or pledge created by this Indenture and the other Security Documents, except as provided in this Indenture with respect to Additional Bonds, (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, (iv) a reduction in the aggregate principal amount of Bonds required for consent to such Supplemental Indenture, or (v) a modification, amendment or deletion with respect to any of the terms set forth in this Section 12.03(a), without, in the case of items (ii) through and including (v) of this Section 12.03(a), the written consent of one hundred percent (100%) of the Holders of the Outstanding Bonds.

(b) If at any time the Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of this Section, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to all Bondholders. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture, and shall state that a copy thereof is on file at the offices of the Trustee for inspection by all Bondholders.

(c) Within one year after the date of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture in substantially the form described in such notice only if there shall have first been filed with the Trustee (i) the written consents of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) or the Holders of not less than 100%, as the case may be, in aggregate principal amount of the Bonds then Outstanding and (ii) an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture (A) is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms and (B) will not cause the interest on any Series of Bonds to become includable in gross income for federal income tax purposes. Each valid consent given by a Holder other than the Bondholder Representative shall be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient in accordance with this Indenture shall be conclusive that the consents have been given by the Holders of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the Holder of the Bonds giving such consent and upon any subsequent Holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent Holder thereof has notice thereof), unless such consent is revoked in writing by the Holder of such Bonds giving such consent or a subsequent Holder thereof by filing such revocation with the Trustee prior to the execution of such Supplemental Indenture.

(d) If the Bondholder Representative or the Holders of not less than the percentage of Bonds required by this Section, as applicable, shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under this Indenture, subject in all respects to such modifications and amendments.

Section 12.04. **Supplemental Indenture Part of this Indenture**. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall execute any Supplemental Indenture entered into in accordance with the provisions of Section 12.02 or 12.03.

ARTICLE XIII

AMENDMENTS OF RELATED SECURITY DOCUMENTS

Section 13.01. **Rights of Institution**. Anything herein to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to Article XII which materially and adversely affects any rights, powers and authority of the Institution under the Loan Agreement or requires a revision of the Loan Agreement shall not become effective unless and until the Institution shall have given its written consent to such Supplemental Indenture signed by an Authorized Representative of the Institution.

Section 13.02. **Amendments of Related Security Documents Not Requiring Consent of Bondholders**. The Issuer and the Trustee may, without the consent of or notice to the Bondholders, but subject to the consent of the Bondholder Representative, if any, enter into or consent (if required) to any amendment, change or modification of any of the Related Security Documents for any of the following purposes: (i) to cure any ambiguity, inconsistency, formal defect or omission therein; (ii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may be lawfully granted or conferred; (iii) to subject thereto additional revenues, properties or collateral; (iv) to evidence the succession of a successor Trustee or to evidence the appointment of a separate or co-Trustee or the succession of a successor separate or co-Trustee; (v) to make any change required in connection with a permitted amendment to a Related Security Document or a permitted Supplemental Indenture; (vi) to accommodate the issuance of Additional Bonds in accordance with Section 2.07 hereof; and (vii) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of engineers, accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to this Section. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not cause the interest on any of the Bonds to cease to be excluded from gross income for federal income tax purposes under the Code.

Section 13.03. **Amendments of Related Security Documents Requiring Consent of Bondholders**. Except as provided in Section 13.02, the Issuer and the Trustee shall not enter into or consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders) given and procured as in Section 12.03 set forth;

provided, however, there shall be no amendment, change or modification to (i) the obligation of the Institution to make loan payments with respect to the Bonds under the Loan Agreement or the Promissory Note or (ii) the Tax Certificate, without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on any Series of Bonds to become includable in gross income for federal income tax purposes. If at any time the Institution shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed in the same manner as is provided in Article XII with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by all Bondholders. The Trustee may, but shall not be obligated to, enter into any such amendment, change or modification to a Related Security Document which affects the Trustee's own rights, duties or immunities under such Related Security Document or otherwise. Before the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not cause the interest on any of the Bonds to cease to be excluded from gross income for federal income tax purposes under the Code.

ARTICLE XIV

MISCELLANEOUS

Section 14.01. Evidence of Signature of Bondholders and Ownership of Bonds. (a) Any request, consent, revocation of consent, approval, objection or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by any Bondholder in person or by his duly authorized attorney appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. For the purposes of the transfer or exchange of any Bond, the fact and date of the execution of the Bondholder or his attorney of the instrument of transfer shall be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds and the amount, numbers and other identification shall be proved by the registry books.

(c) Except as otherwise provided in Section 12.03 with respect to revocation of a consent, any request or consent by the Holder of any Bond shall bind all future Holders of such Bond in respect of

anything done or suffered to be done by the Issuer or the Trustee or any Paying Agent in accordance therewith.

(d) This Indenture shall be binding on all Bondholders with respect to any matter pertaining to ownership, payment or enforcement of the Bonds.

(e) The Bondholder Representative shall be an intended beneficiary of this Indenture entitled to enforce all of its terms and provisions as if the Bondholder Representative were a party hereto.

Section 14.02. **Notices**. Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication authorized or required by this Indenture to be given to or filed with the Issuer, the Institution, the Bondholder Representative or the Trustee shall be sufficient if sent (i) by return receipt requested or registered or certified United States mail, postage prepaid, (ii) by a nationally recognized overnight delivery service for overnight delivery, charges prepaid or (iii) by hand delivery, addressed, as follows:

(1) if to the Issuer, to

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: General Counsel

with a copy to

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: Executive Director

(2) if to the Institution, to

Richmond Medical Center d/b/a
Richmond University Medical Center
355 Bard Avenue
Staten Island, New York 10310
Attention: Chief Financial Officer

with a copy to

Garfunkel Wild, P.C.
111 Great Neck Road, Suite 600
Great Neck, New York 11021
Attention: Andrew Schulson, Esq.

(3) if to the Trustee, to

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Services

with a copy to

Paparone Law PLLC
30 Broad Street, 14th Floor, #1482
New York, New York 10004
Attention: Melissa E. Paparone, Esq., and

(4) if to the Bondholder Representative, to

Preston Hollow Capital, LLC
1717 Main Street, Suite 3900
Dallas, Texas 75201
Attention: John Dinan, General Counsel

The Issuer, the Institution, the Bondholder Representative and the Trustee may, by like notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given (i) three (3) Business Days following posting if transmitted by mail, (ii) one (1) Business Day following sending if transmitted for overnight delivery by a nationally recognized overnight delivery service, or (iii) upon delivery if given by hand delivery, with refusal by an Authorized Representative of the intended recipient party to accept delivery of a notice given as prescribed above to constitute delivery hereunder. The Trustee shall promptly provide copies of all notices received by the Trustee hereunder or under any other Project Document to the Bondholder Representative.

Section 14.03. **Parties Interested Herein**. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the Institution, the Bondholder Representative, the Trustee, the Bond Registrar, the Paying Agent and the Holders of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof. All covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Institution, the Bondholder Representative, the Trustee, the Bond Registrar, the Paying Agent and the Holders of the Bonds.

Section 14.04. **Partial Invalidity**. If any one or more of the provisions of this Indenture or of the Bonds shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions hereof or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as of such illegal or invalid provision had not been contained herein.

Section 14.05. **Effective Date; Counterparts**. The date of this Indenture shall be for reference purposes only and shall not be construed to imply that this Indenture was executed on the date first above written. This Indenture was delivered on the Closing Date. This Indenture shall become effective upon its delivery on the Closing Date. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.06. **Laws Governing Indenture**. This Indenture shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 14.07. **No Pecuniary Liability of Issuer or Members; No Debt of the State or the City**. Every agreement, covenant and obligation of the Issuer under this Indenture is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall not create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor but shall be a limited revenue obligation of the Issuer payable by the Issuer solely from the loan payments, revenues and receipts pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds, in the Loan Agreement, in this Indenture or in any other Security Document shall be considered as pledging any other funds or assets of the Issuer. The Issuer shall not be required under this Indenture or the Loan Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the loan payments, revenues and receipts and other moneys pledged to the payment of the Bonds, (iii) any income or gains therefrom, and (iv) the Net Proceeds with respect to the Facility. No provision, covenant or agreement contained in this Indenture or in the Bonds or any obligations herein or therein imposed upon the Issuer or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, employee or agent of the Issuer in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing the Bonds. Neither the Bonds, the interest thereon, the Sinking Fund Installments therefor, nor the Redemption Price thereof shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor.

Section 14.08. **Priority of Indenture Over Liens**. This Indenture and the Mortgage are given in order to secure funds to pay for the Project and by reason thereof, it is intended that this Indenture and the Mortgage shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon the Facility subsequent to the recordation of the Mortgage. In compliance with Section 13 of the Lien Law, the Issuer will receive the advances secured by this Indenture and the Mortgage and will hold such advances as a trust fund to be applied first for the purpose of paying the cost of improvements before using any part of the total of the same for any other purpose.

Section 14.09. **Consent to Jurisdiction**. Each party hereto irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of or related to this Indenture may be brought in the courts of record of the State in New York County or the United States District Court for the Southern District of New York; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; (iii) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (iv) waives and relinquishes any rights it might otherwise have (x) to move to dismiss on grounds of forum non conveniens, (y) to remove to any federal court other than the United States District Court for the Southern District of New York, and (z) to move for a change of venue to a New York State Court outside New York County.

Section 14.10. **Waiver of Trial by Jury.** Each party hereto hereby expressly waives all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Indenture or any matters whatsoever arising out of or in any way connected with this Indenture. The provisions of this Indenture relating to waiver of trial by jury shall survive the termination or expiration of this Indenture.

Section 14.11. **Legal Counsel; Mutual Drafting.** Each party acknowledges that this Indenture is a legally binding contract and that it was represented by legal counsel in connection with the drafting, negotiation and preparation of this Indenture. Each party acknowledges that it and its legal counsel has cooperated in the drafting, negotiation and preparation of this Indenture and agrees that this Indenture and any provision hereof shall be construed, interpreted and enforced without regard to any presumptions against the drafting party. Each party hereby agrees to waive any rule, doctrine or canon of law, including without limitation, the *contra preferentum* doctrine, that would require interpretation of any ambiguities in this Indenture against the party that has drafted it.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Build NYC Resource Corporation, New York, New York, has caused these presents to be executed in its name and behalf by its Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and, to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be signed in its name and behalf by an authorized representative and its corporate seal to be hereunto affixed, all as of the day and year first above written.

BUILD NYC RESOURCE CORPORATION

By: _____
Krishna Omolade
Deputy Executive Director

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

On the 17 day of December 2018, before me, the undersigned, personally appeared **Krishna Omolade** known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon the behalf of whom the individual acted, executed the instrument.

_____
Notary Public

FRANCES TUFANO
Notary Public, State of New York
No 01TU5080131
Qualified in Queens County
Commission Expires June 16, 2019

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Michelle Mena-Rosado
Vice President

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

On the 17th day of December, 2018, before me, the undersigned, personally appeared **Michelle Mena-Rosado**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon the behalf of whom the individual acted, executed the instrument.

_____
Notary Public

JACQUELINE REID
Notary Public, State of New York
No. 01RE6242633
Qualified in Bronx County
Commission Expires June 24, 2019

APPENDICES

APPENDIX A

DEFINITIONS OF CERTAIN TERMS IN THE INDENTURE AND THE LOAN AGREEMENT

APPENDIX A

DEFINITIONS OF CERTAIN TERMS IN THE INDENTURE AND THE LOAN AGREEMENT

Additional Bonds shall mean one or more Series of parity additional bonds issued, executed, authenticated and delivered under the Indenture.

Additional Improvements shall have the meaning specified in Section 3.4(a) of the Loan Agreement.

Additional Indebtedness Debt Service Coverage Ratio shall be determined based on the audited financial statements, determined in accordance with GAAP, for the last Fiscal Year preceding the incurrence of the proposed Indebtedness and shall mean the ratio determined by dividing (a) a numerator equal to Cash Available for Debt Service for such Fiscal Year, by (b) a denominator equal to the sum of (i) the Maximum Annual Debt Service for all Indebtedness of the Institution outstanding during such Fiscal Year and the additional Indebtedness proposed to be incurred in accordance with Section 8.31 of the Loan Agreement, provided, however, with respect to any Indebtedness that is not amortized by the terms thereof, the amount of principal which would be payable in such period, if such then outstanding principal were amortized from the date of incurrence thereof, over a period of the lesser of thirty (30) years or the maturity of such Indebtedness (if applicable) on a level debt service basis at an interest rate borne by such Indebtedness on the date calculated, except that if the date of calculation is within twelve (12) months of the scheduled maturity of such Indebtedness the full amount of principal payable at scheduled maturity shall be included in the calculation. In addition, with respect to variable rate indebtedness, the interest on such indebtedness shall be calculated at the rate which is equal to the average of the actual interest rates which were in effect for the most recent twelve (12) month period immediately preceding the date of calculation. For purposes of section 8.31(c)(i)(2) of the Loan Agreement, the Additional Indebtedness Debt Service Coverage Ratio shall be determined for two consecutive Fiscal Years, the second of which is the last Fiscal Year preceding the incurrence of the proposed Indebtedness.

Advance Direction Letter shall have the meaning set forth in the Agreement to Advance.

Affiliate shall mean, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person. For the avoidance of doubt, the Bondholder Representative shall not be deemed to be an Affiliate of the Institution as a result of entering into the Loan Agreement and performing their respective obligations thereunder.

Agreement to Advance shall mean the Agreement to Advance, dated as of the Closing Date, among the Institution, Preston Hollow Capital, LLC, as the initial purchaser of the Initial Bonds, the Trustee and the Underwriter, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Annual Administrative Fee shall mean that annual administrative fee established from time to time by the Issuer's Board of Directors as generally applicable to Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors).

Annual Evaluation Date shall mean one hundred fifty (150) days after the Institution's Fiscal Year End Date, commencing on December 31, 2019.

Approved Facility shall mean the Facility as occupied, used and operated by the Institution substantially for the Approved Project Operations, including such other activities as may be substantially related to or substantially in support of such operations, all to be effected in accordance with the Loan Agreement.

Approved Project Operations shall mean the facilities located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York, for use by the Institution as a hospital, medical center and ancillary facilities.

Asserted Cure has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

Asserted LW Violation has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

Authorized Denomination shall mean $100,000 or any integral multiple of $5,000 in excess thereof; provided, however, that after the Initial Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination with respect to the Bonds shall be $5,000 or any integral multiple thereof.

Authorized Principal Amount shall mean, (i) in the case of the Series 2018A Bonds, up to $117,000,000, and (ii) in the case of the Series 2018B Bonds, up to $42,600,000.

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C — "Authorized Representative of Institution" to the Loan Agreement, or any other officer or employee of the Institution who is authorized to perform specific duties hereunder or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of the Loan Agreement, the Indenture or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Available Reserves shall mean the fair market value of all unrestricted and liquid cash and investments of the Institution, determined as set forth in a Certificate of Authorized Representative of the Institution, which determination shall be based on the most recent audited financials of the Institution, but excluding the amounts on deposit in any bond payment, debt service or similar fund pledged for the payment of principal or interest due on any Indebtedness, and in any event excluding amounts in a Debt Service Reserve Fund. For each of Fiscal Year 2018-2019 and Fiscal Year 2019-2020, amounts drawn by the Institution on revolving loan agreements or lines of credit, or any other credit facilities available to the Institution shall be taken into account in computing Days Cash-on-Hand.

Beneficial Owner shall mean, whenever used with respect to an Initial Bond, the Person in whose name such Initial Bond is recorded as the Beneficial Owner of such Initial Bond by the respective systems of DTC and each of the Participants of DTC. If at any time any or all of the Initial Bonds are not held in the Book-Entry System, Beneficial Owner with respect to such Initial Bond shall mean "Holder" for purposes of the Security Documents.

Benefits shall have the meaning set forth in Section 5.1(a) of the Loan Agreement.

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

Bond Purchase Agreement shall mean the Bond Purchase Agreement, dated December 19, 2018, among the Institution, the Issuer and the Underwriter.

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

Bond Resolution shall mean the resolution of the Issuer adopted on November 7, 2018, authorizing the Project and the issuance of the Initial Bonds.

Bondholder, **Holder of Bonds**, **Holder** or **holder** shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bondholder Representative shall mean Preston Hollow Capital, LLC, and any successor thereto designated as the Bondholder Representative in accordance with Section 10.01 of the Indenture.

Bonds shall mean the Initial Bonds and any Additional Bonds.

Building Loan Agreement shall mean the Building Loan Agreement, dated as of December 1, 2018, by and among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Loan Agreement and the Indenture.

Business Day shall mean any day that shall not be:

(i) a Saturday, Sunday, or legal holiday;

(ii) a day on which banking institutions in the City are authorized by law or executive order to close; or

(iii) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is closed.

Business Incentive Rate shall mean the discount energy transportation and delivery rate provided through the Business Incentive Rate program co-administered by NYCEDC and Consolidated Edison Company of New York, Inc.

Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Capital Lease shall mean a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

Cash Available for Debt Service shall mean for any Fiscal Year the amount determined as the sum of net income, depreciation, amortization, interest expense and any other noncash expense for such Fiscal Year, all as determined for financial reporting purposes for such Fiscal Year in accordance with GAAP.

Certificate shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Certificate of Authorized Representative of the Institution shall mean a certificate signed by an Authorized Representative of the Institution which shall state that it is being delivered pursuant to (and shall identify the Section or subsection of) the Loan Agreement, and shall incorporate by reference and use in all appropriate instances all terms defined in the Loan Agreement. Each Certificate of Authorized Representative of the Institution shall state that (i) the terms thereof are in compliance with the requirements of the Section or subsection pursuant to which such certificate is delivered, or shall state in reasonable detail the nature of any non-compliance and the steps being taken to remedy such non-compliance, (ii) no Default or Event of Default has occurred and is continuing, and (iii) it is being delivered together with any opinions, schedules, statements, pro forma financial statements or other documents required in connection therewith. Any Certificate of Authorized Representative of the Institution made with respect to compliance with Sections 8.32 and 8.33 of the Loan Agreement shall be accompanied with the appropriate documentation evidencing such compliance as reasonably requested by Bondholder Representative and shall be prepared in good faith by the Institution.

CGL shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

City shall mean The City of New York, New York.

Claims shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Closing Date shall mean December 20, 2018, the date of the initial issuance and delivery of the Initial Bonds.

CM shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

Cogeneration Facility Project Work shall mean (i) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Completion Deadline shall mean:

(i) October 1, 2019 for the Parking Lot Project Work;

(ii) June 1, 2020 for the Operating Room Project Work;

(iii) August 1, 2020 for the Cogeneration Facility Project Work;

(iv) June 1, 2021 for the Elevator Project Work;

(v) July 1, 2021 for the Emergency Department Project Work; and

(vi) November 1, 2021 for the Roof Project Work.

Completion Guaranty shall mean the Completion Guaranty dated as of December 1, 2018, by the Institution for the benefit of the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Comptroller has the meaning specified in Section 8.30(b) of the Loan Agreement.

Computation Date shall have the meaning assigned to that term in the Tax Certificate.

Computation Period shall have the meaning assigned to that term in the Tax Certificate.

Concessionaire has the meaning specified in Section 8.30(b) of the Loan Agreement.

Conduct Representation shall mean any representation by the Institution under Section 2.2(r) of the Loan Agreement, or by any other Person in any Required Disclosure Statement delivered to the Issuer.

Construction shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Consultant shall mean a Person or firm selected by the Institution subject to the reasonable consent of Bondholder Representative that is not (and no member, stockholder, director, officer or employee of which is) an officer or employee of the Institution, Bondholder Representative, or any Affiliate thereof, that is an independent professional consultant with substantial experience and recognized expertise in the operation and management of hospitals and/or medical facilities. Any and all fees, costs and expenses of Consultant shall be borne by the Institution.

Construction Disbursement and Monitoring Agreement shall mean the Construction Disbursement and Monitoring Agreement, by and among the Institution, the Trustee and Preston Hollow Capital, LLC, substantially in the form attached to the Loan Agreement as Exhibit M – "Form of Construction Disbursement and Monitoring Agreement" which is to be entered into by the parties at the time of execution and delivery of the guaranteed maximum price contract for the Cogeneration Facility Project Work and the Emergency Department Project Work, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Continuation Action(s) shall have the meaning set forth in Section 7.07(c) of the Indenture.

Contractor(s) shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Control or **Controls**, including the related terms "controlled by" and "under common control with", shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

Costs of Issuance shall mean issuance costs with respect to the Initial Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: the Underwriter's spread (whether realized directly or derived through the purchase of the Initial Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, counsel to the Underwriter, Trustee's counsel, Issuer's counsel, Institution's counsel, counsel to the Initial Bondholder, the Bondholder Representative, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Issuer or

the Institution incurred in connection with the issuance of the Initial Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Certificate); Rating Agency fees; Trustee and Paying Agent fees; accountant fees and other expenses related to issuance of the Initial Bonds; printing costs for the Initial Bonds and for the preliminary and final offering documents relating to the Initial Bonds; public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Initial Bonds; Blue Sky fees and expenses; and similar costs.

Covered Counterparty has the meaning specified in Section 8.30(b) of the Loan Agreement.

Covered Employer has the meaning specified in Section 8.30(b) of the Loan Agreement.

Days Cash-on-Hand shall mean as of any Liquidity Testing Date, as derived from the audited financial statements for the Fiscal Year ending on the Liquidity Testing Date, (a) the product of (i) three hundred sixty-five (365), and (ii) the Available Reserves, divided by (b) the sum of the following for the Fiscal Year ending on the Liquidity Testing Date: (i) Total Cash Operating Expenses of the Institution, (ii) payments of interest on, and principal of, the Bonds, and (iii) payments of interest on, and principal of, all other Indebtedness of the Institution.

Days Cash on Hand Requirement shall mean: for each of the Fiscal Years ending December 31, 2018 - 2020, at least thirty (30) Days Cash on Hand as of each Liquidity Testing Date; for Fiscal Year ending December 31, 2021, at least thirty-five (35) Days Cash on Hand as of the Liquidity Testing Date for such Fiscal Year; for Fiscal Year ending December 31, 2022, at least forty (40) Days Cash on Hand as of the Liquidity Testing Date for such Fiscal Year; and for each Fiscal Year from Fiscal Year ending December 31, 2023 through the date of maturity of the Initial Bonds (or earlier date of redemption of the last outstanding Bond), at least forty-five (45) Days Cash on Hand as of each Liquidity Testing Date.

DCA has the meaning specified in Section 8.30(b) of the Loan Agreement.

Debt Service Coverage Ratio shall mean for a Fiscal Year, the ratio determined by dividing (i) a numerator equal to Cash Available for Debt Service during such fiscal year, by (ii) a denominator equal to the required payments during such Fiscal Year of principal of and interest on all Indebtedness of the Institution other than Short-Term Indebtedness incurred in accordance with Section 8.31(d) of the Loan Agreement (but including Capital Leases).

Debt Service Coverage Ratio Requirement means for a Fiscal Year a Debt Service Coverage Ratio for such Fiscal Year of at least 1.15:1.

Debt Service Requirement shall mean for any date of determination, when used with respect to any particular Indebtedness, the aggregate of the payments to be made in respect of principal and interest on such Indebtedness, for a particular Fiscal Year.

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

Debt Service Reserve Requirement shall mean:

(i) with respect to the Series 2018A Bonds, as of any date of determination an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2018A Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2018A Bonds; or (C) one hundred twenty-five (125%) of

the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2018A Bonds;

(ii) with respect to the Series 2018B Bonds, as of any date of determination, an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2018B Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2018B Bonds; or (C) one hundred twenty-five (125%) of the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2018B Bonds; and

(iii) with respect to Additional Bonds, such amount is set forth in a Supplemental Indenture with respect to such Additional Bonds.

Debt Service Reserve Fund Valuation Date shall mean the end of each Fiscal Year beginning on December 31, 2020.

Default shall mean an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

Default Rate shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law, and (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law.

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

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

Deposit Account Control Agreement shall mean the Deposit Account Control Agreement, by and among the Institution, the Trustee and the Depository Bank, relating to the Gross Revenues and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Depository Bank shall mean the depository banking institution selected by the Institution, and reasonably satisfactory to the Trustee and the Bondholder Representative, to act as the depository bank under the Deposit Account Control Agreement.

Determination of Taxability shall mean:

(i) (A) the adoption, promulgation or enactment of any federal statute or regulation, or any determination, decision, decree or ruling made by the Commissioner or any District Director of the Internal Revenue Service;

(B) the issuance of a public or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Institution has participated or has been given the opportunity to participate, and which ruling or memorandum the Institution, in its discretion, does not contest or from which no further right of judicial review or appeal exists;

(C) a determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Institution has participated or has been a party, or has been given the opportunity to participate or be a party; or

(D) the admission in writing by the Institution;

in any case, to the effect that the interest payable on the Bond of a Holder or a former Holder thereof is includable in gross income for federal income tax purposes; or

(ii) the receipt by the Trustee of a written opinion of Nationally Recognized Bond Counsel to the effect that the interest payable on the Bonds is includable in gross income for federal income tax purposes or the refusal of any such counsel to render a written opinion that the interest on the Bonds is not so includable when required pursuant to a request by a Bondholder in accordance with the procedures set forth in the Indenture;

provided, however, that no such Determination of Taxability described in clauses (i)(B) or (i)(C) hereof shall be considered to exist unless (1) the Holder or Beneficial Owner or former Holder or Beneficial Owner of the Bond involved in such proceeding (a) gives the Institution and the Trustee prompt notice of the commencement thereof and (b) (if the Institution agrees to pay all expenses in connection therewith) offers the Institution the opportunity to control the defense thereof and (2) either (a) the Institution does not agree within thirty (30) days of receipt of such offer to pay such expenses and to control such defense or (b) the Institution shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Institution determines to be appropriate. The Bondholder Representative, a Bondholder or a Beneficial Owner shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (ii) above, at the expense of the Institution, upon delivery by the Bondholder or the Beneficial Owner to the Institution of a letter from the Bondholder's or the Beneficial Owner's accountant stating that, in his or her reasonable opinion, interest on the Bonds is includable in the gross income of such Bondholder or Beneficial Owner for federal income tax purposes and stating the reasons for such determination. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of alternative minimum taxes or indirect taxes.

Disbursement Date shall mean first (1st) day of each quarter, or the immediately succeeding Business Day if such day is not a Business Day, or at such other time or times during each month as may be agreed to by the Issuer and the Trustee.

Distribution Date shall mean October 15 of each year.

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

Draw-Down Date shall mean the Closing Date and such subsequent dates on which a draw-down for the Bonds shall occur, provided, however, that (i) subsequent Draw-Down Dates shall not occur more frequently than once per quarter, (ii) subsequent Draw-Down Dates shall not occur any earlier than fifteen (15) days after the immediately preceding Draw-Down Date, (iii) no subsequent Draw-Down Date shall occur after December 1, 2020 and (iv) on each subsequent Draw-Down Date after the Closing Date, the total draw-down amount shall not be less than (a) $10,000,000 with respect to the Series 2018A Bonds and (b) $2,000,000 with respect to the Series 2018B Bonds.

DTC shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

Due Date shall have the meaning set forth in Section 9.9(a) of the Loan Agreement.

Earnings Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Elevator Project Work shall mean (i) the elevator replacement and/or upgrades at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Emergency Department Project Work shall mean (i) the design, construction, furnishing and equipping of a state-of-the-art emergency department increasing the existing emergency department from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Employment Information shall have the meaning set forth in Section 8.7(c) of the Loan Agreement.

Entity shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

Environmental Audit shall mean that certain Phase I Environmental Site Assessment Report dated October 17, 2017, prepared by the Environmental Auditor.

Environmental Auditor shall mean RSB Environmental.

Environmental Indemnity Agreement shall mean the Environmental Indemnity Agreement, dated as of the December 1, 2018, by and among the Institution, the Trustee and the Bondholder Representative, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Estimated Project Cost shall mean $87,249,037.11.

Event of Default shall have the meaning specified in Section 8.01(a) of the Indenture and Section 9.1 of the Loan Agreement.

Event of Taxability shall mean the date specified in a Determination of Taxability as the date interest paid or payable on any Bond becomes includable for federal income tax purposes in the gross income of any Holder or Beneficial Owner thereof as a consequence of any act, omission or event whatsoever, including any change of law, and regardless of whether the same was within or beyond the control of the Institution.

Existing Facility Property shall have the meaning set forth in Section 3.5(a) of the Loan Agreement.

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

Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Bonds for installation or use at the Facility Realty as part of the Project pursuant to Section 3.2 of the Loan Agreement and described in Exhibit B - "Description of the Facility Personalty" attached to the Indenture and to the Loan Agreement, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Facility Personalty and exclude all items of Facility Personalty so substituted for or replaced, and further exclude all items of Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

Facility Realty shall mean the parcels located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York as described in Exhibit A – "Description of the Facility Realty" in the appendices to the Indenture and to the Loan Agreement, and all rights or interest therein or appertaining thereto, together with all structures, buildings, 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 3.2 of the Loan Agreement), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto.

Final Project Cost Budget shall mean that certain budget of costs paid or incurred for the Project to be submitted by the Institution pursuant to Section 3.2(f) of the Loan Agreement upon completion of the Project.

Fiscal Year shall mean a year of 365 or 366 days, as the case may be, commencing on January 1 and ending on December 31 of the next calendar year, or such other fiscal year of similar length used by the Institution for accounting purposes as to which the Institution shall have given prior written notice thereof to the Issuer, the Bondholder Representative and the Trustee at least ninety (90) days prior to the commencement thereof.

Fiscal Year End Date shall mean the last day of the Institution's Fiscal Year.

Fitch shall mean Fitch, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Fixed Date Deliverables shall have the meaning set forth in Section 9.9(a)(ii) of the Loan Agreement.

GAAP shall mean those generally accepted accounting principles and practices that are recognized as such by the American Institute of Certified Public Accountants or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof, and that are consistently applied for all periods, so as to properly reflect the financial position of the Institution, except that any accounting principle or practice required to be changed by the Financial Accounting Standards Board (or other appropriate board or committee of the said Board) in order to continue as a generally accepted accounting principle or practice may be so changed.

GC shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Governing Body shall mean, when used with respect to any Entity, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Entity are exercised.

Government Obligations shall mean the following:

(i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above.

Grant Proceeds shall mean the proceeds of any grant provided to the Institution by the City or the State or any instrumentality of either.

Gross Revenues shall mean all receipts, revenues, income and other moneys received by or on behalf of the Institution, including, but without limiting the generality of the foregoing, revenues derived from the ownership or operation of all real or personal property owned by the Institution including but not limited to the Facility, casualty insurance and condemnation proceeds with respect to all real or personal property owned by the Institution including but not limited to the Facility or any portion thereof, and all rights to receive the same (including amounts retained by Institution under Section 3.5(a) of the Loan Agreement), whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; provided, however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Indebtedness) and the income derived therefrom to the extent required by such designation or specification shall be excluded from Gross Revenues.

Hazardous Materials shall mean any substance or material that is now or in the future included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "pollutant," "contaminant," "hazardous waste," or "universal waste," or in any Hazardous Materials Law, including (a) petroleum or petroleum derivatives, including crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products or waste, and waste water, (b) asbestos and asbestos-containing materials (whether friable or non-friable), (c) polychlorinated biphenyls, (d) urea formaldehyde, (e) lead and lead based paint or other lead containing materials (whether friable or non-friable), (f) microbiological pollutants, (g) batteries or liquid solvents or similar chemicals, (h) radon gas, and (i) pesticides and pesticide contaminated materials. The term "Hazardous Materials" shall not include (i) chemicals, lubricants, refrigerants, batteries and other substances kept in amounts typical for, and used as, standard janitorial supplies, office and household supplies, and the like in connection with the routine maintenance and operation of facilities similar to the Facility, to the extent kept, used and maintained in strict compliance with all such applicable Hazardous Materials Laws, (ii) gasoline, oil and other automotive products kept and used in an ordinary manner in or for the use of motor vehicles at the Project, or (iii) any substance or material that would otherwise be a Hazardous Material in environmental media (air, soil or

water) in concentrations that does not require release reporting, monitoring or investigation under Hazardous Materials Laws or removal or remediation of under Hazardous Materials.

Hazardous Materials Laws shall mean any and all applicable statutes, terms, conditions, limitations, restrictions, regulations, standards, prohibitions, obligations, schedules, plans, and timetables that are contained in or promulgated pursuant to any federal, state or local laws, whether existing now or hereinafter enacted, relating to pollution or the protection of the environment, including laws relating to emissions, discharges, releases, or threatened releases of Hazardous Materials into ambient or indoor air, surface water, ground water, drinking water, lands (including the surface and subsurface thereof), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, refinement, production, disposal, transport, or handling of Hazardous Materials, including the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA), 42 U.S.C. 9601 et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), 42 U.S.C. 6901 et seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., and the Safe Drinking Water Act, 42 U.S.C. § 300f et seq. "Hazardous Materials Laws" shall not include laws relating to industrial hygiene or worker safety, except to the extent that such laws address asbestos and asbestos-containing materials (whether friable or non-friable) or lead and lead-based paint or other lead containing materials.

Impositions shall have the meaning set forth in Section 8.17(a) of the Loan Agreement.

Indebtedness shall mean (a) all obligations of the Institution for borrowed money, (b) all obligations of the Institution evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, or obligations to bonding companies, (c) all obligations of the Institution as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of the Institution, irrespective of whether such obligation or liability is assumed, (e) all obligations of the Institution to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices and, for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses), and (f) any obligation of the Institution guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (e) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such guaranty, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation

Indemnification Commencement Date shall mean November 7, 2018, the date on which the Issuer first adopted a resolution with respect to the Project.

Indemnified Parties shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Indenture shall mean the Indenture of Trust, dated as of December 1, 2018, between the Issuer and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XII of the Indenture.

Independent Accountant shall mean Baker Tilly Virchow Krause, LLP, its successors and assigns, or another independent certified public account or firm of independent certified public accountants selected by the Institution and approved by the Issuer and the Trustee (such approvals not to be unreasonably withheld or delayed).

Independent Engineer shall mean a Person (not an employee of either the Issuer or the Institution or any Affiliate of either thereof) registered and qualified to practice engineering or architecture under the laws of the State, selected by the Institution, and approved in writing by the Trustee (which approval shall not be unreasonably withheld and shall be given at the direction of the Bondholder Representative, if any).

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

Initial Annual Administrative Fee shall mean $1,250.

Initial Bondholder shall mean Preston Hollow Capital, LLC.

Initial Bonds shall mean collectively, the Series 2018A Bonds and the Series 2018B Bonds.

Institution shall mean Richmond Medical Center, (d/b/a Richmond University Medical Center) a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Code, organized and existing under the laws of the State of New York, and its successors and assigns.

Institution Documents shall mean, collectively, the Loan Agreement, the Building Loan Agreement, the Mortgage, the Environmental Indemnity Agreement, the Completion Guaranty, the Agreement to Advance, the Promissory Note, the Deposit Account Control Agreement, the Tax Certificate, the Construction Disbursement and Monitoring Agreement and any other Project Documents to which the Institution is a party, each as may be amended from time to time.

Institution's Property shall have the meaning specified in Section 3.4(c) of the Loan Agreement.

Insured shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Insurer shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Interest Payment Date shall mean, with respect to (i) with respect to the Initial Bonds, semi-annually on June 1 and December 1 of each year, commencing June 1, 2019, and (ii) with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

IRS Determination Letter shall mean that certain ruling letter dated July 19, 2007 issued by the Internal Revenue Service to the Institution confirming that the Institution is a Tax-Exempt Organization.

ISO shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

ISO Form CG-0001 shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Issuer shall mean Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and its successors and assigns.

Issuer's Reserved Rights shall mean, collectively,

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement or the Indenture;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement or the Indenture;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the Institution under the Loan Agreement to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Institution under the Loan Agreement with respect to ensuring that the Facility shall always constitute the Approved Facility;

(v) the right of the Issuer to amend with the Institution the provisions of Section 5.1 of the Loan Agreement without the consent of the Trustee or any Bondholder;

(vi) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under the following Articles and Sections of the Loan Agreement: Article III (except for Section 3.1), Sections 4.4, 4.5 and 4.6, Article V, Article VI, Article VIII (except for Section 8.26), Article IX, Article X and Sections 11.1, 11.3 and 11.5, and Article XII (except Section 12.2); and

(vii) the right of the Issuer in its own behalf to declare a default with respect to any of the Issuer's Reserved Rights and exercise the remedies set forth in Section 9.2(b) of the Loan Agreement.

Kroll shall mean Kroll Bond Rating Agency, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Kroll" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Legal Requirements shall mean the Constitutions of the United States and the State of New York and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates of occupancy, directions and requirements (including zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wage, living wage, prevailing wage, sick leave, healthcare, benefits and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including those of the City, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the Institution, (ii) the Facility or any part thereof, or (iii) any use or condition of the Facility or any part thereof.

Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Initial Bonds.

Liability shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Lien or **Liens** shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement, any judgment, decree, order, levy or process of any court or governmental body entered, made or issued and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

Liquidity Testing Date shall mean the Fiscal Year End Date.

Liquidity to Debt Ratio shall mean, as any date of determination, the ratio determined by dividing (a) a numerator equal to Available Reserves by (b) a denominator equal to the principal amount of all Indebtedness of the Institution outstanding on the date of determination and the principal amount of the additional Indebtedness proposed to be incurred.

Loan shall mean the loan made by the Issuer to the Institution pursuant to the Loan Agreement as described in Section 4.1 of the Loan Agreement.

Loan Agreement or **Agreement** shall mean the Loan Agreement, dated as of December 1, 2018, between the Issuer and the Institution, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Loan Payment Date shall mean the twentieth (20th) day of each month (or, if the twentieth (20th) day shall not be a Business Day, the immediately preceding Business Day).

Loss Event shall have the meaning specified in Section 6.1 of the Loan Agreement.

LW has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Agreement has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Agreement Delivery Date has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Event of Default has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Law has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Term has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Violation Final Determination has the meaning specified in Section 8.30(k)(i)(1), Section 8.30(k)(i)(2)(A) or Section 8.30(k)(i)(2)(B) of the Loan Agreement, as applicable.

LW Violation Initial Determination has the meaning specified in Section 8.30(k)(i)(2) of the Loan Agreement.

LW Violation Notice has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

LW Violation Threshold has the meaning specified in Section 8.30(b) of the Loan Agreement.

Majority Holders shall mean the Beneficial Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, or, if the Bonds shall cease to be in book-entry form, the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding.

Maturity Date shall mean with respect to the Initial Bonds, December 1, 2050.

Maximum Annual Debt Service shall mean at the time of calculation, with respect to any particular Indebtedness, the largest Debt Service Requirement for the current or any future Fiscal Year, which calculation shall not include, for a particular series of Bonds, the final payment on such series of Bonds to the extent moneys are available therefor at such time of calculation in the applicable Debt Service Reserve Fund for such series of Bonds.

Merge or **Merger** shall have the meaning specified in Section 8.20(a)(v) of the Loan Agreement.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Mortgage shall mean, collectively, the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan), each dated as of even date herewith, and each from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Mortgaged Property shall have the meaning specified in the Mortgage.

Nationally Recognized Bond Counsel shall mean Katten Muchin Rosenman LLP or other counsel acceptable to the Issuer and the Trustee and experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

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

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

Notification of Failure to Deliver shall have the meaning specified in Section 9.9(b) of the Loan Agreement.

NYCDOF shall mean the New York City Department of Finance.

NYCEDC shall mean New York City Economic Development Corporation, a New York not-for-profit corporation, and any successor thereof.

NYCIDA shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Operating Room Project Work shall mean (i) the design, construction and/or renovation of the operating room handler at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Operations Commencement Date shall have the meaning set forth in Section 5.1(a) of the Loan Agreement.

Opinion of Counsel shall mean a written opinion of counsel for the Institution or any other Person (which counsel shall be reasonably acceptable to the Bondholder Representative, the Issuer and the Trustee) with respect to such matters as required under any Project Document or as the Bondholder Representative, the Issuer or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Bondholder Representative, the Issuer and the Trustee.

Organizational Documents shall mean, (i) in the case of an Entity constituting a limited liability company, the articles of organization or certificate of formation, and the operating agreement of such Entity, (ii) in the case of an Entity constituting a corporation, the charter, articles of incorporation or certificate of incorporation, and the bylaws of such Entity, and (iii) in the case of an Entity constituting a general or limited partnership, the partnership agreement of such Entity.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) any Bond (or portion of a Bond) deemed to have been paid in accordance with Section 11.01(b) of the Indenture.

(iii) Bonds in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Indenture,

provided, however, that in determining whether the Holders or Beneficial Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any other Security Document, Bonds owned by the Institution or any Affiliate of the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Institution or any Affiliate of the Institution.

Owed Interest has the meaning specified in Section 8.30(b) of the Loan Agreement.

Owed Monies has the meaning specified in Section 8.30(b) of the Loan Agreement.

Parking Lot Project Work shall mean (i) the design and construction of the new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Participants shall mean those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other Entity which may at any time be substituted in its place pursuant to the Indenture.

Per Diem Fees shall mean, collectively, the Per Diem Late Fee and the Per Diem Supplemental Late Fee.

Per Diem Late Fee shall mean that per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors) and that have not (x) paid to the Issuer the Annual Administrative Fee on the date required under Section 8.3 of the Loan Agreement, (y) delivered to the Issuer all or any of the Fixed Date Deliverables on the respective dates required under Section 8.14 or 8.16 of the Loan Agreement, and/or (z) delivered to the Issuer all or any of the Requested Document Deliverables under Section 8.15 of the Loan Agreement within five (5) Business Days of the Issuer having made the request therefor.

Per Diem Supplemental Late Fee shall mean that supplemental per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from general applicability as may be established by the Issuer's Board of Directors).

Permitted Encumbrances shall mean:

(i) Liens in favor of the Trustee created by the Mortgage, the Building Loan Agreement and any other Project Document;

(ii) Liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not yet due and payable;

(iii) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien, security interest, encumbrance or charge or right in respect thereof, placed on or with respect to the Facility or any part thereof, if payment is not yet due and payable, or if such payment is being disputed pursuant to Section 8.11(b) of the Loan Agreement;

(iv) utility, access and other easements and rights of way, restrictions and exceptions that are apparent from a search of the real estate records applicable to the Mortgaged

Property, or from an accurate survey, and which do not materially interfere with or impair the Institution's use and enjoyment of the Facility as provided in the Loan Agreement;

(v) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 of the Loan Agreement insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee;

(vi) Liens arising by reason of good faith deposits with the Institution in connection with the tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Institution to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges, but only with respect to the property tendered or deposited;

(vii) any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements, but only with respect to the property deposited;

(viii) any judgment Lien against the Institution, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed by the posting of a bond the payment of which would not give rise to a Lien;

(ix) any purchase money security interest in movable personal property, including equipment leases and financing not to exceed the limitations on incurrence of such indebtedness set forth in the Project Documents;

(x) any lien, security interest, encumbrances or charge to which the Trustee shall consent in writing (and given at the direction of the Bond Representative or, if there is no Bondholder Representative, the Majority Holders); and

(xi) a lien, restrictive declaration or performance mortgage with respect to the operation of the Facility arising by reason of a grant or other funding received by the Institution from the City, State or any governmental agency or instrumentality (including, without limitation, New York City Economic Development Corporation.)

Permitted Indebtedness shall have the meaning specified in Section 8.31 of the Loan Agreement.

Person shall mean an individual or any Entity.

Policy(ies) shall have the meaning specified in Section 8.1(a) of the Loan Agreement.

Predecessor Institution shall have the meaning set forth in 8.20 of the Loan Agreement.

Principals shall mean, with respect to any Entity, the most senior three officers of such Entity, any Person with a ten percent (10%) or greater ownership interest in such Entity or any Person as shall have the power to Control such Entity, and "principal" shall mean any of such Persons.

Project shall mean the financing and/or refinancing of (a) the design, construction, furnishing, and equipping of a state-of-the-art Emergency Department ("ED") increasing the existing ED from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway; (b) the design and construction of a new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York; (c) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York which will be used to provide electrical energy to the Institution; (d) the infrastructure improvements, including, but not limited to, elevator upgrades and roof repair and replacement, with respect to various buildings located at 355 Bard Avenue, Staten Island, New York; (e) the existing taxable loans that were used to finance certain psychiatric facilities and robotic surgery equipment at 355 Bard Avenue and the renovation, furnishing and equipping of an existing approximately 68,000 square foot residential building located on an approximately 82,000 square foot parcel of land located at 288 Kissel Avenue, Staten Island, New York, which is primarily used to provide, among other things, employee housing to interns and residents in Institution's physician graduate education program; (f) a debt service reserve fund; and (g) certain costs related to the issuance of the Bonds.

Project Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Project Application Information shall mean the eligibility application and questionnaire submitted to the Issuer by or on behalf of the Institution, for approval by the Issuer of the Project and the providing of financial assistance by the Issuer therefor, together with all other letters, documentation, reports and financial information submitted in connection therewith

Project Completion Date shall mean the date by which all of the following conditions have been satisfied: (i) the Issuer shall have received a signed and complete certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate" attached to the Loan Agreement, together with all attachments required thereunder, (ii) the Project Work shall have been finished and shall have been completed substantially in accordance with the plans and specifications therefor, (iii) if required, the Issuer shall have received a copy of a certificate of occupancy, a temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection issued by the New York City Department of Buildings, from the Institution, (iv) there shall be no certificate, license, permit, authorization, written approval or consent or other document required to permit the occupancy, operation and use of the Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature, and (v) the Facility shall be ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines.

Project Cost Budget shall mean that certain budget for costs of the Project Work as set forth by the Institution in Exhibit E — "Project Cost Budget" attached to the Loan Agreement.

Project Costs shall mean:

(i) all costs of engineering and architectural services with respect to the Project, including the cost of test borings, surveys, estimates, permits, plans and specifications and for supervising demolition, construction and renovation, as well as for the performance of all other duties required by or consequent upon the proper construction of, and the making of alterations, renovations, additions and improvements in connection with, the completion of the Project;

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

(iii) the interest on the Bonds during the construction and renovation of the Project;

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

(v) the cost of acquisition of the Facility Realty;

(vi) all costs of title insurance as provided in Section 3.7 of the Loan Agreement;

(vii) the payment of the Costs of Issuance with respect to the Initial Bonds;

(viii) the payment of the fees and expenses of the Trustee during the period of construction and renovation of the Project;

(ix) all costs which the Institution shall be required to pay, under the terms of any contract or contracts, for the completion of the Project, including any amounts required to reimburse the Institution for advances made for any item otherwise constituting a Project Cost or for any other costs incurred and for work done which are properly chargeable to the Project; and

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

"Project Costs" shall not include (i) fees or commissions of real estate brokers, (ii) moving expenses, or (iii) operational costs.

Project Documents shall mean, collectively, the Institution Documents, the Security Documents, and any other agreement, contract, document or instrument executed by the Institution in connection with any Institution Document or Security Document.

Project Fee shall mean $520,900, representing the $535,900 Issuer's financing fee, less the application fee of $15,000.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Project Work shall mean, collectively or individually, as applicable, the Cogeneration Facility Project Work, the Elevator Project Work, the Emergency Department Project Work, the Operating Room Project Work, the Parking Lot Project Work or the Roof Project Work.

Promissory Note shall mean, (i) with respect to the Initial Bonds, that certain Promissory Note in substantially the form of Exhibit H to the Loan Agreement, (ii) with respect to any Series of Additional Bonds, that certain Promissory Note in substantially the form of any related Exhibit to an amendment to the Loan Agreement, and (iii) with respect to the Bonds, collectively, those certain Promissory Notes described in clauses (i) and (ii) above, and shall include in each case any and all amendments thereof and supplements thereto made in conformity with the Loan Agreement and the Indenture.

Qualified Investments shall mean any of the following which at the time of investment are legal investments under the laws of the State of New York for funds held by the Trustee:

(i) Government Obligations

(ii) commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from S&P and Moody's, of A1 and P1, respectively;

(iii) repurchase and reverse repurchase agreements collateralized with Government Obligations, including those of the Trustee or any of its affiliates;

(iv) investments in money market mutual funds having a rating at time of investment in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(v) demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, rated in the AA long-term ratings category or higher by S&P or Moody's or which are fully FDIC-insured;

(vi) direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's or S&P;

(vii) direct and general short-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in the highest rating category by Moody's and S&P;

(viii) other obligations, interest on which is excludable from gross income for purposes of federal income taxation, which are rated in the two highest rating categories by S&P and Moody's; and

(ix) investment agreements, including guaranteed investment contracts, repurchase agreements and forward delivery agreements, that are obligations of an entity rated, or whose obligations are rated, or guaranteed by an entity which is rated or whose obligations are

rated, (at the time the investment is entered into) not lower than A3 by Moody's or its equivalent from another Rating Agency.

Qualified Workforce Program has the meaning specified in Section 8.30(b) of the Loan Agreement.

Rating Agency shall mean any of S&P, Moody's, Fitch or Kroll and such other nationally recognized securities rating agency as shall have awarded a rating to the Initial Bonds.

Rating Category shall mean one of the generic rating categories of a Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rebate Amount shall have the meaning assigned to that term in the Tax Certificate.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Recapture Event shall have the meaning set forth in Section 5.1(a) of the Loan Agreement.

Recapture Period shall have the meaning set forth in Section 5.1(a) of the Loan Agreement.

Record Date shall mean, with respect to any Interest Payment Date for the Initial Bonds, the close of business on the fifteenth (15th) day of the month next preceding such Interest Payment Date, or, if such day is not a Business Day, the next preceding Business Day.

Redemption Date shall mean the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Refunding Bonds shall have the meaning assigned to that term in Section 2.07(c) of the Indenture.

Related Security Documents shall mean all Security Documents other than the Indenture.

Renewal Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Representations Letter shall mean the Blanket Issuer Letter of Representations from the Issuer to DTC.

Requested Document Deliverables shall have the meaning set forth in Section 9.9(a) of the Loan Agreement.

Required Disclosure Statement shall mean that certain Required Disclosure Statement in the form of Exhibit F — "Form of Required Disclosure Statement" attached to the Loan Agreement.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in the Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

Restricted Funds shall mean funds derived from any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to one or more particular purposes.

Roof Project Work shall mean (i) the roof repair and/or replacement at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

S&P shall mean S&P Global Ratings Inc., a corporation organized and existing under the laws of the State, its successors and assigns, and if such limited liability company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

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

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Securities Exchange Act shall mean the Securities Exchange Act of 1934, as amended, together with any rules and regulations promulgated thereunder.

Security Document Action shall have the meaning set forth in Section 8.12 of the Indenture.

Security Documents shall mean, collectively, the Loan Agreement, the Promissory Note, the Indenture, the Tax Certificate, the Building Loan Agreement, the Mortgage, the Environmental Indemnity Agreement, the Completion Guaranty, and the Deposit Account Control Agreement.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series 2018A Bonds shall mean the Issuer's up to $102,065,000 Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A Bonds, as authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2018A Bonds Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018A Bonds Debt Service Reserve Account shall mean the special trust account of the Debt Service Reserve Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018B Bonds shall mean the Issuer's up to $30,000,000 Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B Bonds, as authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2018B Bonds Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018B Bonds Debt Service Reserve Account shall mean the special trust account of the Debt Service Reserve Fund so designated, established pursuant to Section 5.01 of the Indenture

Short-Term Indebtedness shall mean any obligation for the repayment of moneys borrowed by the Institution from a Person which matures not later than one (1) year after it is incurred.

Sign shall have the meaning specified in Section 8.5 of the Loan Agreement.

Sinking Fund Installment shall mean an amount so designated and which is established for mandatory redemption on a date certain of the Bonds of any Series of Bonds pursuant to the Indenture. The portion of any such Sinking Fund Installment of a Series of Bonds remaining after the deduction of any amounts credited pursuant to the Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments of such Series of Bonds due on a future date.

SIR shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Site Affiliates has the meaning specified in Section 8.30(b) of the Loan Agreement.

Site Employee has the meaning specified in Section 8.30(b) of the Loan Agreement.

Small Business Cap has the meaning specified in Section 8.30(b) of the Loan Agreement.

Special Record Date shall have the meaning specified in Section 2.02(g) of the Indenture.

Specified Contract has the meaning specified in Section 8.30(b) of the Loan Agreement.

State shall mean the State of New York.

Substitute Entity shall have the meaning set forth in Section 8.12 of the Indenture.

Successor Institution shall have the meaning specified in Section 8.20(b)(ii) of the Loan Agreement.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Issuer and the Trustee in accordance with Article XII of the Indenture.

Tax Certificate shall mean the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, dated the Closing Date, of the Issuer and the Institution, together with all exhibits and schedules attached thereto, including, but not limited to, the

Certificate of the Institution as to 501(c)(3) Status and as to Representations and Information Regarding Tax-Exempt Financing Matters.

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

Taxable Rate shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law, and (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law.

Termination Date shall mean such date on which the Loan Agreement may terminate pursuant to Article X of the Loan Agreement.

Total Cash Operating Expenses shall mean with respect to the Institution, as of any date of determination, and for the applicable period of determination, total cash operating expenses and capital repair costs for such period, as determined in accordance with GAAP consistently applied, including legal and accounting fees and expenses and the reasonable fees and expenses of Trustee, the fees, expenses and indemnity payment owing to Issuer, including Issuer's fees and expenses, pursuant to the Indenture and Administrative Expenses.

Transfer shall have the meaning specified in Section 8.20(a)(iv) of the Loan Agreement.

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

Trust Corpus shall have the meaning set forth in Section 9.07 of the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

U/E shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Underwriter shall mean Cain Brothers, a division of KeyBanc Capital Markets Inc.

Workers' Compensation shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Yield shall have the meaning assigned to such term in the Tax Certificate.

EXHIBIT A

DESCRIPTION OF THE FACILITY REALTY

Title No. 3019-890775
AMENDED 11/16/2018 (rjw)

SCHEDULE "A"

LOT 1:

ALL THAT PARCEL OF LAND SITUATE, LYING AND BEING IN THE BOROUGH OF STATEN ISLAND, COUNTY OF RICHMOND, CITY AND STATE OF NEW YORK, COMPRISING PART OF LOTS NUMBERS 8 AND 32 AND THE WHOLE OF LOTS NUMBERS 9, 10, 11, 12, 33, 34, 35 AND 36, AS SHOWN ON A CERTAIN MAP ENTITLED "MAP OF PROPERTY ADJOINING NEW BRIGHTON, STATEN ISLAND, DRAWN BY JAMES LYONS, NEW BRIGHTON, JUNE 24, 1837", AND FILED IN THE OFFICE OF THE CLERK OF RICHMOND COUNTY, MARCH 10, 1842 ROLLED MAP NO. 19-C, THE WHOLE OF SAID PLOT OR PARCEL BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF CASTLETON AVENUE WITH THE EASTERLY SIDE OF BARD AVENUE;

RUNNING THENCE NORTHERLY ALONG THE EASTERLY SIDE OF BARD AVENUE, NORTH 9° 07' 09" WEST 872.78 FEET (U.S. STD.) TO A POINT THEREIN DISTANT 75 FEET SOUTHERLY FROM THE SOUTHERLY SIDE OF MOODY AVENUE;

THENCE NORTH 81° 13' 07" EAST 382.33 FEET TO A POINT;

THENCE SOUTH 8° 17' 04" EAST 300.00 FEET TO A POINT;

THENCE NORTH 81° 13' 07" EAST 277.80 FEET TO THE WESTERLY SIDE OF KISSEL AVENUE;

THENCE SOUTHERLY ALONG THE WESTERLY SIDE OF KISSEL AVENUE, SOUTH 9° 08' 48" EAST 667.02 FEET TO THE NORTHERLY SIDE OF CASTLETON AVENUE;

THENCE WESTERLY ALONG THE NORTHERLY SIDE OF CASTLETON AVENUE THE FOLLOWING COURSES AND DISTANCES TO THE POINT OR PLACE OF BEGINNING:

SOUTH 88° 20' 23" WEST 46.47 FEET;
SOUTH 86° 25' 49" WEST 131.44 FEET;
NORTH 89° 42' 57" WEST 485.69 FEET;

EXCEPTING THEREFROM THE PORTION OF PREMISES WHICH MAY HAVE BEEN TAKEN FOR THE WIDENING OF KISSEL AVENUE AND CASTLETON AVENUE.

LOT 262:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH AND COUNTY OF RICHMOND, CITY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF KISSEL AVENUE DISTANT 75.00 FEET SOUTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE WESTERLY LINE OF KISSEL AVENUE AND THE SOUTHERLY LINE OF MOODY PLACE AND AT THE SOUTHERLY LINE OF LAND OF THE ROKEBY-KISSEL ESTATE AS MAP NO. 1381, RICHMOND COUNTY, COORDINATES OF SAID POINT OF BEGINNING ARE SOUTH 7491.611 AND WEST 17166.331, SAID POINT OF BEGINNING BEING FURTHER DESCRIBED AS BEING NORTH 15° 05' 41" WEST 1003.38 FEET FROM BOROUGH OF RICHMOND MONUMENT NO. 1577, COORDINATES OF SAID MONUMENT ARE SOUTH 8476.235 AND WEST 16973.250;

CONTINUED...

Title No. 3019-890775
SCHEDULE "A" CONTINUED

RUNNING THENCE SOUTH 81° 13' 07" WEST AND ALONG THE SOUTHERLY BOUNDARY LINE OF MAP OF THE ROKEBY-KISSEL ESTATE FILED AS MAP NO. 1381, RICHMOND COUNTY, 263.00 FEET TO A POINT;

RUNNING THENCE, SOUTH 08° 17' 04" EAST AND THROUGH LAND OF ST. VINCENT'S HOSPITAL, 300.00 FEET TO A POINT;

RUNNING THENCE, NORTH 81° 13' 07" EAST AND STILL THROUGH THE LANDS OF ST. VINCENT'S HOSPITAL, 273.28 FEET TO THE LAND NOW OR FORMERLY OF THE TRUSTEES OF THE SAILORS SNUG HARBOR;

RUNNING THENCE NORTHERLY AND ALONG SAID LAND NOW OR FORMERLY OF THE TRUSTEES OF THE SAILORS SNUG HARBOR, NORTH 09° 08' 48" WEST 299.99 FEET TO A POINT;

RUNNING THENCE, SOUTH 81° 13' 07" WEST 10.28 FEET TO THE POINT OR PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

EXHIBIT B

DESCRIPTION OF THE FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation and/or use at Facility financed with the proceeds of the Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A and Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B.

EXHIBIT C

FORM OF FULLY REGISTERED INITIAL BOND

THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE BUILD NYC RESOURCE CORPORATION OTHER THAN THOSE PLEDGED THEREFOR

THIS BOND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A PERSON CONSTITUTING A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED) OR AN "ACCREDITED INVESTOR" (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED); PROVIDED, HOWEVER, THAT AFTER THE BONDS ARE RATED INVESTMENT GRADE BY A RATING AGENCY, THEN, UPON THE TRUSTEE RECEIVING WRITTEN NOTICE OF THE OCCURRENCE OF SUCH EVENT, THIS REQUIREMENT SHALL NO LONGER APPLY TO THE BONDS.

BUILD NYC RESOURCE CORPORATION
TAX-EXEMPT REVENUE BONDS
(Richmond Medical Center Project), Series [2018A][2018B]

Bond Date:	December 20, 2018
Maturity Date:	[December 1, 2050] [December 1, 2050]
Registered Holder:	[Cede & Co.] [Cede & Co.]
Principal Amount:	[Up to $102,065,000] [Up to $30,000,000]
Interest Rate:	[5.625]% [5.875]%
Bond Number:	[AR-1][BR-1]
CUSIP:	[12008E PK6] [12008E PL4]

Promise to Pay. Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York (herein called the "**Issuer**"), for value received, hereby promises to pay as hereinafter provided, solely from the loan payments, revenues and receipts as provided in the Indenture of Trust hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest at the Interest Rate set forth above on the unpaid principal balance hereof from the Bond Date set forth above until the Issuer's obligation with respect to the

payment of such Principal Amount shall be discharged. Payment of interest shall be made semi-annually on June 1 and December 1 in each year, commencing June 1, 2019 (or, if such day is not a Business Day, the immediately succeeding Business Day). Such interest shall be computed on the basis of a 360-day year of twelve 30-day months. In no event shall the interest rate payable hereon exceed the maximum permitted by, or enforceable under, applicable law. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts. Capitalized terms used but not defined in this bond shall have the respective meanings assigned to such terms in Appendix A to the Indenture hereinafter referred to.

This bond shall bear interest from the Bond Date indicated above, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Bonds (as defined below), this bond shall bear interest from and including the Interest Payment Date next preceding the date of the authentication hereof, unless the date of such authentication shall be an Interest Payment Date to which interest hereon has been paid in full or duly provided for, in which case, this bond shall bear interest from and including such Interest Payment Date.

If there shall occur, and for so long as there shall continue to exist, an Event of Default (other than by reason of a failure to redeem the Bonds in whole if there shall have occurred a Determination of Taxability), the annual rate of interest on the Bonds shall be the applicable Default Rate commencing with the date of the occurrence of the Event of Default and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Event of Default. Any former Bondholder who was a Bondholder commencing on or after the date of the occurrence of the Event of Default, but who subsequent to such date sold or otherwise disposed of its Bonds or whose Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement (as such terms are hereinafter defined) the following, in an amount allocable to such period during which it held the Bonds subsequent to the Event of Default and the date upon which the Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Bonds prior to the Event of Default and the rate borne by the Bonds on and subsequent to such date.

If there shall occur a Determination of Taxability, the annual rate of interest on the Bonds shall be the applicable Taxable Rate commencing with the date of the Event of Taxability and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Determination of Taxability. Any former Bondholder who was a Bondholder commencing on or after the date of the occurrence of an Event of Taxability, but who subsequent to such date sold or otherwise disposed of its Bonds or whose Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Bonds subsequent to the Event of Taxability and the date upon which the Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Bonds prior to the Event of Taxability and the rate borne by the Bonds on and subsequent to such date.

Method of Currency. The principal or Redemption Price of, Sinking Fund Installments for, and interest on the Bonds shall be payable in any coin or currency of the United States of America that on the respective dates of payment thereof is legal tender for the payment of public and private debts.

Payments. The principal of, Sinking Fund Installments for, and the Redemption Price, if applicable, on all Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date

thereof, provided, however, that the payment in full of any Bond either at final maturity or upon redemption in whole shall only be payable upon the presentation and surrender of such Bonds at the designated corporate trust office of U.S. Bank National Association in New York, New York, as trustee and paying agent (the "**Paying Agent**"), or at the corporate trust office of any successor Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the registered holder of such Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such holder, or (2) if such Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered holder of Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

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

Authorization and Purpose. This bond is one of an authorized issue of bonds designated as ["Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A" (the "**Series 2018A Bonds**")]["Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B" (the "**Series 2018B Bonds**")] issued in the aggregate principal amount of [up to $102,065,000][$30,000,000]. The Bonds are being issued under and pursuant to and in full compliance with the Constitution and laws of the State of New York, particularly the Not-for-Profit Corporation Law of the State of New York, and under and pursuant to a resolution adopted by the members of the Issuer on November 7, 2018 authorizing the issuance of the Bonds and under and pursuant to an Indenture of Trust, dated as of December 1, 2018 (as the same may be amended or supplemented, the "**Indenture**"), made and entered into by and between the Issuer and U.S. Bank National Association, as trustee (said bank and any successor thereto under the Indenture being referred to herein as the "**Trustee**"), for the purpose of the financing and/or refinancing of (a) the design, construction, furnishing, and equipping of a state-of-the-art Emergency Department ("ED") increasing the existing ED from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway; (b) the design and construction of a new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York; (c) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York which will be used to provide electrical energy to the Institution; (d) the infrastructure improvements, including, but not limited to, elevator upgrades and roof repair and replacement, with respect to various buildings located at 355 Bard Avenue, Staten Island, New York; (e) the existing taxable loans that were used to finance certain psychiatric facilities and robotic surgery equipment at 355 Bard Avenue and the renovation, furnishing and equipping of an existing approximately 68,000 square foot residential building located on an approximately 82,000 square foot parcel of land located at 288 Kissel Avenue, Staten Island, New York, which is primarily used to provide, among other things, employee housing to interns and residents in Institution's physician graduate education program; (f) a debt service reserve fund; and (g) certain costs related to the issuance of the Bonds on behalf of Richmond Medical

Center, d/b/a Richmond University Medical Center, a not-for-profit corporation, organized and existing under the laws of the State of New York (the "**Institution**"). In order to finance a portion of the costs of the Project, the Issuer has made a loan to the Institution in the original principal amount of the Bonds from the proceeds of the Bonds pursuant to a certain Loan Agreement, dated as of December 1, 2018 (as the same may be amended or supplemented, the "**Loan Agreement**"), between the Issuer and the Institution, and the Institution has executed certain Promissory Notes each dated the date of original issuance of the Bonds in favor of the Issuer (as the same may be amended or supplemented, collectively, the "**Promissory Notes**") to evidence the Institution's obligation under the Loan Agreement to repay such loan. Each of the Loan Agreement and the Promissory Notes require the payment by the Institution of loan payments sufficient to provide for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds as the same become due. Copies of the Indenture, the Loan Agreement, the Promissory Notes and the Mortgage hereinafter referred to are on file at the designated corporate trust office of the Trustee in New York, New York, and reference is made to such documents for the provisions relating, among other things, to the terms and security of the Bonds, the charging and collection of loan payments, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds, and the rights, duties and obligations of the Issuer, the Institution and the Trustee.

Pledge and Security. Pursuant to the Indenture, the Issuer has assigned to the Trustee all of its right, title and interest in and to the Promissory Notes and substantially all of its right, title and interest in and to the Loan Agreement, including all rights to receive loan payments sufficient to pay the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest and all other amounts due on the Bonds as the same become due, to be made by the Institution pursuant to the Loan Agreement and the Promissory Notes. The Bonds are also secured by mortgage liens on and security interests in the Institution's fee and leasehold title interest in the Facility pursuant to a Mortgage and Security Agreement (Building Loan) and a Mortgage and Security Agreement (Indirect Loan), each dated as of December 1, 2018 (as each of the same may hereafter be amended or supplemented, collectively the "**Mortgage**"), and each from the Institution to the Trustee.

The Bonds are special limited revenue obligations of the Issuer and shall never constitute a debt of the State of New York or of The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Bonds be payable out of any funds of the Issuer other than those pledged therefor.

Reference is hereby made to the Indenture for the definition of any capitalized word or term used but not defined herein and for a description of the property pledged, assigned and otherwise available for the payment of the Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the holders of the Bonds, and the terms upon which the Bonds are issued and secured.

Additional Bonds. As provided in the Indenture, upon satisfying certain conditions including obtaining certain prescribed Bondholder Representative (or, if no Bondholder Representative exists, Bondholder) consents, a Series of Additional Bonds may be issued from time to time in one or more series for the purpose of financing the cost of completing the Project, providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, providing extensions, additions or improvements to the Facility, or refunding outstanding Bonds (to the extent that such Bonds shall be subject to earlier redemption). All bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as may otherwise be expressly provided in the Indenture.

General Interest Rate Limitation. Anything herein or in the Indenture to the contrary notwithstanding, the obligations of the Issuer hereunder and under the Indenture shall be subject to the limitation that payments of interest or other amounts hereon shall not be required to the extent that receipt of any such payment by a holder of this bond would be contrary to the provisions of law applicable to such holder of this bond which would limit the maximum rate of interest which may be charged or collected by such holder of this bond.

Redemption of Bonds.

(A) General Optional Redemption. The Series 2018A Bonds shall be subject to redemption, on or after December 1, 2028, in whole or in part at any time at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2018A Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption. The Series 2018B Bonds shall be subject to redemption, on or after June 1, 2028, in whole or in part at any time at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to the terms of the Loan Agreement), at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2018B Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

(B) (i) Optional Redemption of Series 2018B Bonds from Grant Proceeds. The Series 2018B Bonds shall be subject to redemption from Grant Proceeds in whole or in part at any time from June 1, 2019 to and including the earlier of December 1, 2021 and the 360th day following the Project Completion Date (as evidenced as set forth in the Loan Agreement) at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2018B Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

(ii) Contingent Mandatory Redemption of Series 2018B Bonds. The Series 2018B Bonds delivered on the Closing Date in connection with the deposit of proceeds of such Series 2018B Bonds as set forth in the Loan Agreement shall be subject to mandatory redemption on June 1, 2019, unless on or before such date additional draws have been made pursuant to the terms of the Loan Agreement.

(C) Extraordinary Redemption.

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

(i) The Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility for a period of one year from the date of such damage or destruction, or (C) the restoration cost of the Facility would exceed the total amount of all

insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

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

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

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

(D) Mandatory Sinking Fund Installment Redemption.

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

Sinking Fund Installment Payment Date	Sinking Fund Installment	Sinking Fund Installment Payment Date	Sinking Fund Installment
12/31/2022	$1,470,000	12/31/2037	$3,350,000
12/31/2023	1,570,000	12/31/2038	3,540,000
12/31/2024	1,640,000	12/31/2039	3,750,000
12/31/2025	1,745,000	12/31/2040	3,950,000
12/31/2026	1,835,000	12/31/2041	4,180,000
12/31/2027	1,940,000	12/31/2042	4,410,000
12/31/2028	2,050,000	12/31/2043	4,655,000
12/31/2029	2,180,000	12/31/2044	4,920,000
12/31/2030	2,285,000	12/31/2045	5,195,000
12/31/2031	2,430,000	12/31/2046	5,490,000
12/31/2032	2,555,000	12/31/2047	5,785,000
12/31/2033	2,695,000	12/31/2048	6,125,000
12/31/2034	2,850,000	12/31/2049	6,465,000
12/31/2035	2,995,000	12/31/2050*	6,830,000
12/31/2036	3,180,000		

*final maturity

If Series 2018A Bonds in an amount equal to the Authorized Principal Amount with respect thereto have not been issued on or before the Project Completion Date, then the Bondholder Representative shall revise the mandatory Sinking Fund Installment schedule set forth above, by reducing the Sinking Fund Installments, on a pro rata basis (rounded to the nearest Authorized Denomination), by the amount of the Series 2018A Bond proceeds not advanced hereunder. The revised Sinking Fund Installment schedule referred to above shall be calculated by the Bondholder Representative and such revised Sinking Fund Installment schedule must be accompanied by an opinion of Nationally Recognized Bond Counsel to the effect that the substitution of such schedule in lieu of the then existing schedule will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes. The Bondholder Representative shall provide a copy of such calculation and opinion of Nationally Recognized Bond Counsel to the Trustee. Until the Trustee receives such calculation and opinion from the Bondholder Representative, it may consider the schedule as set forth above unchanged.

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

Sinking Fund Installment Payment Date	Sinking Fund Installment	Sinking Fund Installment Payment Date	Sinking Fund Installment
12/31/2019	$115,000	12/31/2035	$ 870,000
12/31/2020	--	12/31/2036	925,000
12/31/2021	--	12/31/2037	975,000
12/31/2022	415,000	12/31/2038	1,035,000
12/31/2023	440,000	12/31/2039	1,095,000
12/31/2024	465,000	12/31/2040	1,160,000
12/31/2025	495,000	12/31/2041	1,225,000
12/31/2026	520,000	12/31/2042	1,300,000
12/31/2027	550,000	12/31/2043	1,375,000
12/31/2028	580,000	12/31/2044	1,455,000
12/31/2029	620,000	12/31/2045	1,540,000
12/31/2030	655,000	12/31/2046	1,630,000
12/31/2031	690,000	12/31/2047	1,730,000
12/31/2032	730,000	12/31/2048	1,825,000
12/31/2033	780,000	12/31/2049	1,935,000
12/31/2034	820,000	12/31/2050*	2,050,000

*final maturity

If Series 2018B Bonds in an amount equal to the Authorized Principal Amount with respect thereto have not been issued on or before the Project Completion Date, then the Bondholder Representative shall be entitled to revise the mandatory Sinking Fund Installment schedule set forth above, by reducing the Sinking Fund Installments, on a pro rata basis (rounded to the nearest Authorized Denomination), by the amount of the Series 2018B Bond proceeds not advanced hereunder. The revised Sinking Fund Installment schedule referred to above shall be calculated by the Bondholder Representative and such revised Sinking Fund Installment schedule must be accompanied by an opinion of Nationally Recognized Bond Counsel to the effect that the substitution of such schedule in lieu of the then existing

schedule will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes. The Bondholder Representative shall provide a copy of such calculation and opinion of Nationally Recognized Bond Counsel to the Trustee. Until the Trustee receives such calculation and opinion from the Bondholder Representative, it may consider the schedule as set forth above unchanged.

(E) Mandatory Redemption from Excess Proceeds and Certain Other Amounts. The Bonds shall be redeemed at any time in whole or in part on a pro rata basis between the Series 2018A Bonds and the Series 2018B Bonds, based on the Outstanding principal amount thereof, prior to maturity in the event and to the extent:

(i) excess Bond proceeds shall remain after the completion of the Project,

(ii) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and the Indenture,

(iii) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(iv) certain funds received by the Institution pursuant to any capital campaign which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for completion of the Project or related Project Costs, except any Grant Proceeds, which shall be used by the Institution to redeem the Series 2018B Bonds,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(E) Mandatory Redemption Upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance. The Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event (i) the Issuer shall determine that (w) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations, (x) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement, (y) any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

(F) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Bonds shall be redeemed prior to maturity on any date within one hundred twenty (120) days following such Determination of Taxability, at a Redemption Price equal to one hundred five percent (105%) of the principal amount thereof, together with unpaid accrued interest at the Taxable Rate from the occurrence of the Event of Taxability to the date of redemption. The Bonds shall be redeemed in

whole unless redemption of a portion of the Bonds Outstanding would have the result that interest payable on the Bonds remaining Outstanding after such redemption would not be includable in the gross income of any holder of a Bond. In such event, the Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

Redemption Procedures. If any of the Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered holder of each Bond to be redeemed at the address shown on the registration books. All Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds as provided in this bond, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

Amendment of Indenture. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the holders of the Bonds at any time by the Issuer with the consent of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders). Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

Denominations. The Bonds are issuable in the form of fully registered bonds in the denomination of $100,000 or any integral multiple of $5,000 in excess thereof, provided, however, that if the Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination shall be $5,000 or any integral multiple thereof.

Exchange of Bonds. The holder of this bond may surrender the same, at the designated corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of any of the Authorized Denominations of the same maturity and maturities and interest rate as this bond or the Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

Transfer of Bonds. This bond is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Trustee by the registered holder hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered holder or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a

member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, and thereupon a new fully registered Bond in the same aggregate principal amount and maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name this bond is registered as the absolute holder hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, the Sinking Fund Installments therefor, and interest due hereon and for all other purposes whatsoever, and all payments made to any such registered holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer or the Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses shall be paid by the Institution but any such tax, fee or other governmental charge shall be paid by the holder requesting such transfer or exchange.

Special Agreement by Holder. Each holder of this bond, by the purchase and acceptance of this bond, is deemed to have represented and agreed as follows: (i) it is either a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) or an "accredited investor" (as defined in Regulation D under the Securities Act), and it has acquired this bond for its own account or for the account of a qualified institutional buyer or an accredited investor, and (ii) it understands and acknowledges that this bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer this bond, this bond may be offered, resold, pledged or transferred only in accordance with the transfer restrictions set forth in this bond and in the legend appearing hereon and only to a Person meeting the requirements set forth in the preceding clause; provided, however, that if the Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, this requirement shall no longer apply to the Bonds.

Book Entry System. The Bonds are being issued by means of a book entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or in the custody of its agent. The book entry system will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in Authorized Denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Issuer and the Trustee will recognize the Securities Depository nominee, while the registered holder of this bond, as the holder of this bond for all purposes, including (i) payments of principal of, Sinking Fund Installments for, if any, redemption premium, if any, and interest on, this bond, (ii) notices, and (iii) voting. Transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Beneficial Owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Issuer and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities

Depository nominee is the holder of this bond, notwithstanding the provision hereinabove contained, payments of principal of, Sinking Fund Installments, if any, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Issuer, the Trustee and the Securities Depository.

Acceleration of Bonds. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds and Additional Bonds issued under the Indenture and then Outstanding may be declared and may become due and payable before the stated maturities thereof, together with accrued interest thereon.

Limitation on Bondholder Enforcement Rights. The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Special Obligation of the Issuer. This bond and the issue of which it forms a part are special limited revenue obligations of the Issuer, payable by the Issuer solely out of the loan payments, revenues or other receipts, funds or moneys of the Issuer pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Bonds.

Estoppel Clause. It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

No Personal Liability. Neither the members, directors, officers or agents of the Issuer nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

Authentication by Trustee. This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Build NYC Resource Corporation has caused this bond to be executed in its name by the manual or facsimile signature of its Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and its official seal or a facsimile thereof to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of its Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, all as of the Bond Date indicated above.

BUILD NYC RESOURCE CORPORATION

By: _____
Authorized Signatory

(SEAL)

ATTEST:

_____
Authorized Signatory

Dated: December 20, 2018

CERTIFICATE OF AUTHENTICATION

This bond is one of the [Series 2018A][Series 2018B] Bonds of the issue described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: _____
Authorized Signatory

Date of Authentication: December 20, 2018

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer such bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED
MEDALLION GUARANTEED

_____
Authorized Signature
(Signature Guarantee Program Name)

[Signature Guarantee by (must be by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)]

[END OF FORM OF BOND]

EXHIBIT D

Form of Requisition from the Project Account of the Project Fund

REQUISITION NO.

TO: U.S. Bank National Association, as Trustee

FROM: Richmond Medical Center d/b/a Richmond University Medical Center

Ladies and Gentlemen:

You are requested to draw from the Project Account of the Project Fund, established by Section 5.01 of the Indenture of Trust, dated as of December 1, 2018 (the "**Indenture**"), between Build NYC Resource Corporation (the "**Issuer**") and yourself, a check or checks or wire transfer, as applicable, in the amounts, payable to the order of those persons and for the purpose of paying those costs set forth on Schedule A attached hereto. All capitalized terms used in this Requisition not otherwise defined herein shall have the meanings given such terms by the Indenture or by the Loan Agreement referred to in the Indenture.

I hereby certify that

(i) I am an Authorized Representative of Richmond Medical Center (the "**Institution**");

(ii) the number of this Requisition is ____;

(iii) the items of cost set forth on Schedule A attached hereto are correct and proper under Section 5.02 of the Indenture and under Section 3.2 of the Loan Agreement and each such item has been properly paid or incurred as an item of Project Cost;

(iv) none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Project Account of the Project Fund;

(v) the payees and amounts stated in Schedule A attached hereto are true and correct and each item of cost so stated is due and owing;

(vi) each such item stated in Schedule A attached hereto is a proper charge against the Project Account of the Project Fund;

(vii) each such item in Schedule A attached hereto represents the value of work actually furnished, or labor or services actually rendered and no item relates to materials, that are not incorporated into the improvement or deposits toward same;

(viii) each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Certificate;

(ix) if the payment herein requested is a reimbursement to the Institution for costs or expenses of the Institution incurred by reason of work performed or supervised by officers or employees of the Institution or any Affiliate, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the Institution and such costs or expenses will be treated by the Institution on its books

as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis;

(x) no portion of the proceeds of the Bond will be applied to reimburse the Institution for Project Costs paid more than sixty (60) days prior to _____, 20____, the date the Institution adopted its reimbursement resolution for the Project, except for amounts which do not exceed twenty percent (20%) of the Project Costs financed with the proceeds of the Bonds which were applied to finance certain preliminary expenses with respect to the Project. Preliminary expenses, for purposes of this exception, include architectural, engineering, surveying, soil testing and similar costs incurred prior to the commencement of construction or rehabilitation of the Project, but do not include land acquisition, site preparation and similar costs incident to the commencement of construction or rehabilitation of the Project. No portion of the proceeds of the Bonds will be applied to reimburse the Institution for a cost (other than preliminary expenditures) paid more than eighteen (18) months prior to the date of this requisition or the date the Facility to which the cost relates was placed in service, whichever is later. In no event shall the proceeds of the Bonds be applied to reimburse the Institution for a Project Cost paid more than three (3) years prior to the date of issuance of the Bonds, unless such cost is attributable to a preliminary expenditure, as described above;

(xi) no Determination of Taxability has occurred, and no Event of Default exists and is continuing under the Indenture or the Loan Agreement or any other Project Document nor any condition, event or act which, with notice or lapse of time or both, would constitute such an Event of Default;

(xii) I have no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment or, to the extent that any such costs shall be the subject of a bona fide dispute, for which such costs have not been appropriately bonded or for which a surety or security has not been posted which is at least equal to the amount of such costs;

(xiii) each item which payment under this requisition is to be made when added to all other payments previously made from the Project Fund, will not result in less than 95% of the proceeds of the Bonds (exclusive of costs of issuance of the Bonds or any reasonably required reserve) (including any earnings thereon) being used for the acquisition, construction, reconstruction or improvement of land or property that is subject to the allowance for depreciation provided in section 167 of the Code;

(xiv) such item of cost for which payment is herein requested is chargeable to the capital account of the Facility for federal income tax purposes, or would be so chargeable either with an election by the Institution or but for the election of the Institution to deduct the amount of such item; and

(xv) the representations and warranties made by the Institution in the Project Documents are correct on and as of the date of such disbursement as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

Attached to this Requisition is a schedule of or a copy of bills, invoices or other documents evidencing and supporting this Requisition.

Dated: _____

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By: _____
Authorized Representative

APPROVED BY:

PRESTON HOLLOW CAPITAL, LLC,
as Bondholder Representative

By:_____
Name:
Title:

SCHEDULE A TO REQUISITION NO. ___

Amount	Payee (with address or wire information)	Purpose

Receipt is hereby acknowledged of a payment in the amount of $_____ in connection with the submission of the attached Requisition.

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By: _____
Authorized Representative

Date: _____

BUILD NYC RESOURCE CORPORATION,
a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of
The City of New York, having its principal office at One Liberty Plaza,
New York, New York 10006,
as "**Issuer**",

by and between

U.S. BANK NATIONAL ASSOCIATION,
a national banking association organized and existing under the laws of the United States of America, having a corporate trust office at 100 Wall Street, 16th Floor, New York, New York 10005, together with any successor trustee at the time serving as such under this Indenture of Trust, as "**Trustee**"

FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of June 1, 2022

Up to $31,160,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds
(Richmond Medical Center Project), Series 2022

TABLE OF CONTENTS

(This Table of Contents is not a part of this First Supplemental Indenture of Trust and is only for convenience of reference.)

Page

ARTICLE I DEFINITIONS 3

Section 1.01. Definitions 3
Section 1.02. Rules of Construction 5

ARTICLE II AUTHORIZATION, TERMS AND ISSUANCE OF THE SERIES 2022 BONDS 6

Section 2.01. Equally and Ratably Secured 6
Section 2.02. Issuance and Terms of the Series 2022 Bonds 6
Section 2.03. Redemption of Series 2022 Bonds 8
Section 2.04. Delivery of the Series 2022 Bonds. 12
Section 2.05. Date of Series 2022 Bonds 12
Section 2.06. Form of Series 2022 Bonds 12
Section 2.07. Legends 12
Section 2.08. Special Exchange of Series 2022 Bonds 12

ARTICLE III APPLICATION OF SERIES 2022 BOND PROCEEDS; CREATION OF ACCOUNTS; PROJECT FUND 14

Section 3.01. Application of Proceeds of Series 2022 Bonds 14
Section 3.02. Creation of Accounts for Series 2022 Bonds 15
Section 3.03. Project Fund. 15

ARTICLE IV AMENDMENTS 18

Section 4.01. Consent of the Trustee and the Issuer to Amendments Requiring Bondholder Representative Consent 18
Section 4.02. Amendments to the Original Indenture 18
Section 4.03. Consent of the Trustee and the Issuer to Amendments Requiring Consent of 100% of the Holders of the Series 2018B Bonds 38
Section 4.04. Amendments to the Original Indenture 38

ARTICLE V MISCELLANEOUS 39

Section 5.01. Trustee Approval of First Loan Agreement Amendment 39
Section 5.02. Mortgage Acknowledgement. 39
Section 5.03. No Pecuniary Liability of Issuer or Members; No Debt of the State or the City 39
Section 5.04. Partial Invalidity 39
Section 5.05. Laws Governing First Supplemental Indenture 39
Section 5.06. Effective Date; Counterparts 40
Section 5.07. Indenture to Remain In Effect 40
Section 5.08. Waiver of Trial by Jury 40
Section 5.09. Legal Counsel; Mutual Drafting. 40
Section 5.10. Conflicts. 40

Exhibit 1 – Form of Series 2022 Bonds
Exhibit 2 – Form of Requisition from the Series 2022 Bonds Project Account of the Project Fund
Exhibit 3 – Description of the Facility Realty
Exhibit 4 – Description of the Facility Personalty

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST dated as of the date set forth on the cover page hereof (this "**First Supplemental Indenture**"), by and between **BUILD NYC RESOURCE CORPORATION**, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at One Liberty Plaza, New York, New York 10006 (the "**Issuer")**, party of the first part, to **U.S. BANK NATIONAL ASSOCIATION**, together with any successor trustee at the time serving as such under the Indenture, having a corporate trust office at 100 Wall Street, 16th Floor, New York, New York 10005 (the "**Trustee**"), party of the second part.

RECITALS

W I T N E S S E T H:

WHEREAS, the Issuer and the Trustee have entered into an Indenture of Trust dated as of December 1, 2018 (the "**Original Indenture**"); and

WHEREAS, under the Original Indenture, the Issuer has previously authorized the issuance of its Series 2018 Bonds, the proceeds of which Series 2018 Bonds were loaned by the Issuer to Richmond Medical Center (d/b/a Richmond University Medical Center), a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, organized and existing under the laws of the State of New York (the "**Institution**) pursuant to the Loan Agreement, dated as of December 1, 2018 (the "**Original Loan Agreement**"); and

WHEREAS, the Original Indenture permits Additional Bonds to be issued on a parity with the Series 2018 Bonds, subject to the satisfaction of certain conditions set forth in the Original Indenture and the Original Loan Agreement; and

WHEREAS, the Institution has requested that the Issuer issue its up to $31,160,000 Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022 (the "**Series 2022 Bonds**") under the Indenture to finance a portion of the costs of the Series 2022 Project; and

WHEREAS, in order to provide for the authentication and delivery of the Series 2022 Bonds, to establish and declare the terms and conditions upon which the Series 2022 Bonds are to be issued and secured and to secure the payment of the principal, or Redemption Price of, Sinking Fund Installments for, and interest on the Series 2022 Bonds, the Issuer has authorized the execution and delivery of this First Supplemental Indenture;

WHEREAS, contemporaneously with the execution of the this First Supplemental Indenture (i) the Issuer and the Institution shall enter into the First Loan Agreement Amendment, dated as of June 1, 2022 (the "**First Loan Agreement Amendment**") pursuant to which the Issuer will make a loan to the Institution in a principal amount equal to the principal amount of the Series 2022 Bonds, (ii) the Institution shall execute a Promissory Note in favor of the Issuer in substantially the form set forth in Exhibit 1 – "Form of Promissory Note" to the First Loan Agreement Amendment, to evidence the obligation of the Institution under the Loan Agreement to repay the Loan related to the Series 2022 Bonds, (iii) the Institution shall grant mortgage liens on and security interests in its fee interests in the Series 2022 Mortgaged Property to the Trustee pursuant to the Series 2022 Mortgage; and (iv) the Institution will grant mortgage liens on and security interests in its fee and leasehold interest in the Series 2022 Collateral Mortgaged Property to the Trustee pursuant to the Series 2022 Collateral Mortgage;

WHEREAS, all things necessary to make the Series 2022 Bonds, when authenticated by the Trustee and issued as set forth in the Indenture, the valid, binding and legal special limited revenue

obligations of the Issuer according to the import thereof, and to constitute the Indenture a valid pledge and assignment of the loan payments, revenues and receipts herein made to the payment of the principal, or Redemption Price of, Sinking Fund Installments for, and interest on the Bonds, have been done and performed, and the creation, execution and delivery of this First Supplemental Indenture, and the creation, execution and issuance of the Series 2022 Bonds, subject to the terms of the Indenture, have in all respects been duly authorized.

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All capitalized words and phrases not otherwise defined herein shall have the meanings as assigned below to such words and phrases or assigned thereto in Appendix A – "Definitions of Certain Terms in the Indenture and the Loan Agreement" attached to the Original Indenture, as amended by this First Supplemental Indenture.

The following definitions shall be incorporated into and made a part of Appendix A – "Definitions of Certain Terms in the Indenture and the Loan Agreement" attached to the Original Indenture and the Original Loan Agreement.

Campus shall mean the Institution's campus located at 355 Bard Avenue, Staten Island New York, which is bounded by Bard Avenue on the west, Moody Place on the north, Kissel Avenue on the east and Castleton Avenue on the south.

Collateral Mortgaged Property shall mean the Series 2018 Collateral Mortgaged Property and the Series 2022 Collateral Mortgaged Property, as applicable.

First Loan Agreement Amendment shall have the meaning ascribed to it in the recitals to this First Supplemental Indenture.

First Supplemental Indenture shall have the meaning ascribed to it in the introductory paragraph to this First Supplemental Indenture.

Original Indenture shall have the meaning ascribed to it in the recitals to this First Supplemental Indenture.

Original Loan Agreement shall have the meaning ascribed to it in the recitals to this First Supplemental Indenture.

Series 2018 Collateral Mortgaged Property shall mean 657 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 475), 669 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 2), 800/812 Castleton Avenue, Staten Island, New York 10310 (Block 153, Lot 1 (f/k/a Lots 1, 6, 7, 8 and 11)) and 267P Kissel Avenue, Staten Island, New York 10310 (Block 101, Lot 20).

Series 2022 Advance Direction Letter shall have the meaning set forth in the Series 2022 Agreement to Advance.

Series 2022 Agreement to Advance shall mean the Agreement to Advance, dated as of June 1, 2022, among the Institution, PHCC LLC (d/b/a Preston Hollow Community Capital), as the initial purchaser of the Series 2022 Bonds, and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2022 Bonds shall have the meaning ascribed to it in the recitals to this First Supplemental Indenture.

Series 2022 Bonds Costs of Issuance Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 3.02 of the First Supplemental Indenture.

Series 2022 Bonds Debt Service Reserve Account shall mean the special trust account of the Debt Service Reserve Fund so designated, established pursuant to Section 3.02 of the First Supplemental Indenture.

Series 2022 Bonds Project Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 3.02 of the First Supplemental Indenture.

Series 2022 Collateral Mortgage shall mean the Collateral Mortgage and Security Agreement, dated as of June 1, 2022, from the Institution to the Trustee, for the benefit of the Holders of the Series 2022 Bonds, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2022 Collateral Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1), 288 Kissel Avenue, Staten Island, New York 10310 (Block 102, Lot 262), 657 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 475), 669 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 2), 800/812 Castleton Avenue, Staten Island, New York 10310 (Block 153, Lot 1 (f/k/a Lots 1, 6, 7, 8 and 11)) and 267P Kissel Avenue, Staten Island, New York 10310 (Block 101, Lot 20).

Series 2022 Draw-Down Date shall mean the Closing Date and such subsequent dates on which a draw-down for the Series 2022 Bonds shall occur, provided, however, that (i) subsequent Series 2022 Draw-Down Dates shall not occur more frequently than once per calendar quarter, (ii) subsequent Series 2022 Draw-Down Dates must occur on the first day of a calendar month, (iii) no subsequent Series 2022 Draw-Down Date shall occur after June 1, 2023 and (iv) on each subsequent Series 2022 Draw-Down Date, the amount drawn shall not be less than $1,000,000 with respect to the Series 2022 Bonds.

Series 2022 Mortgage shall mean, collectively, the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan), each dated as of June 1, 2022, and each from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2022 Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1).

Series 2022 Project shall mean the financing of (a) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus; (b) other hospital expansions, renovations and equipment to be located on the Institution's Campus; (c) a debt service reserve fund; and (d) certain costs related to the issuance of the Series 2022 Bonds.

Series 2022 Project Completion Date shall have the meaning set forth in the First Loan Agreement Amendment.

Section 1.02. Rules of Construction. In this First Supplemental Indenture, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this First Supplemental Indenture, refer to this First Supplemental Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the Closing Date.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this First Supplemental Indenture, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this First Supplemental Indenture, nor shall they affect its meaning, construction or effect.

(e) Unless the context indicates otherwise, references to designated "Exhibits", "Articles", "Sections", "Subsections", "clauses" and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this First Supplemental Indenture.

(f) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(h) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein or herein).

(i) Any reference to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

[END OF ARTICLE I]

ARTICLE II

AUTHORIZATION, TERMS AND ISSUANCE OF THE SERIES 2022 BONDS

Section 2.01. Equally and Ratably Secured. The Series 2022 Bonds are issued as Additional Bonds pursuant to Section 2.07 of the Original Indenture. As provided in Section 2.07 of the Original Indenture, the Series 2022 Bonds shall be equally and ratably secured under the Indenture with the Series 2018 Bonds and all other Series of Additional Bonds, if any, issued under the Indenture without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture. The total aggregate principal amount of Series 2022 Bonds that may be authenticated and delivered hereunder is limited to the Authorized Principal Amount.

Section 2.02. Issuance and Terms of the Series 2022 Bonds.

(a) The Series 2022 Bonds in the Authorized Principal Amount shall be issued under and secured by the Indenture. The Series 2022 Bonds shall be issuable in fully registered form without coupons substantially in the form set forth in Exhibit 1 –"Form of Series 2022 Bonds" and shall be dated as provided in Section 3.01 of the Original Indenture.

(b) The Series 2022 Bonds shall mature on the date and in the principal amount and bear interest at the annual rate, as set forth below:

Maturity Date	Principal Amount	Interest Rate
December 1, 2052	Up to $31,160,000	6.50%

(c) Interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the contrary, the interest rate borne by the Series 2022 Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

The Series 2022 Bonds are being issued as draw-down bonds, in that the Beneficial Owner of the Series 2022 Bonds will purchase the principal amount of the Series 2022 Bonds in installments in accordance with the terms of the Series 2022 Agreement to Advance and Section 3.01 of this First Supplemental Indenture. Accordingly, the principal amount of the Series 2022 Bonds which have been purchased by the Beneficial Owner thereof and are Outstanding at any given time may be less than the maximum Authorized Principal Amount of the Series 2022 Bonds as described in the paragraph (b) above. The Trustee shall maintain in its books a record which shall reflect from time to time the purchase of the Series 2022 Bonds in accordance with the provisions of the Indenture, which records shall (i) include the principal amount of the Series 2022 Bonds so purchased, the date of such purchase and the total principal amount of the Series 2022 Bonds then outstanding, and (ii) be conclusive absent manifest error.

(d) If there shall occur, and for so long as there shall continue to exist, an Event of Default (other than by reason of a failure to redeem the Series 2022 Bonds in whole if there shall occur a Determination of Taxability), the rate of interest on the Series 2022 Bonds shall be the Default Rate commencing with the date of the occurrence of the Event of Default and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Event of Default. Any former Beneficial Owner who was a Beneficial Owner commencing on or after the date of the occurrence of the Event of Default, but who subsequent to such date sold or otherwise disposed of its Series 2022 Bonds or whose Series 2022 Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an

amount allocable to such period during which it held the Series 2022 Bonds subsequent to the Event of Default and the date upon the Series 2022 Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2022 Bonds prior to the Event of Default and the rate borne by the Series 2022 Bonds on and subsequent to such date.

(e) If there shall occur a Determination of Taxability, the rate of interest on the Series 2022 Bonds shall be the Taxable Rate commencing with the date of the Event of Taxability and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Determination of Taxability. Any former Beneficial Owner who was a Beneficial Owner commencing on or after the date of the occurrence of an Event of Taxability, but who subsequent to such date sold or otherwise disposed of its Series 2022 Bonds or whose Series 2022 Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Series 2022 Bonds subsequent to the Event of Taxability and the date upon which the Series 2022 Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2022 Bonds prior to the Event of Taxability and the rate borne by the Series 2022 Bonds on and subsequent to such date.

(f) The Series 2022 Bonds shall be numbered from R-1 upward in consecutive numerical order. Each Series 2022 Bond issued upon any exchange or transfer under the Indenture shall be numbered in such manner as the Trustee in its discretion shall determine.

(g) Subject to Section 2.09 of the Original Indenture, the principal or Redemption Price of, and Sinking Fund Installments for, all Series 2022 Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier redemption to the Persons in whose names such Series 2022 Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof, provided, however, that the payment in full of any Series 2022 Bond either at final maturity or upon redemption in whole shall only be payable upon presentation and surrender of such Series 2022 Bonds at the designated corporate trust office of the Trustee or of any Paying Agent.

The interest payable on each Series 2022 Bond on any Interest Payment Date shall be paid by the Trustee to the Holder of such Series 2022 Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered Holder at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such Holder, or (2) if such Series 2022 Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any Holder of Series 2022 Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

Interest on any Series 2022 Bond that is due and payable but not paid on the date due ("**Defaulted Interest**") shall cease to be payable to the Holder of such Series 2022 Bond as of the relevant Record Date and shall be payable to the Holder in whose name such Series 2022 Bond is registered at the close of business on a special record date (the "**Special Record Date**") for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. It is provided in the Loan Agreement that the Institution shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2022 Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make

arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Money deposited with the Trustee on account of Defaulted Interest shall be held in trust for the benefit of the Holders of the Series 2022 Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Trustee shall fix the Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt of such funds by the Trustee. The Trustee shall promptly notify the Institution of such Special Record Date and, in the name and at the expense of the Institution, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder of a Series 2022 Bond entitled to such notice at the address of such Holder as it appears on the bond registration books not less than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Series 2022 Bond delivered under the Indenture upon transfer of or in exchange for or in lieu of any other Series 2022 Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Series 2022 Bond and each such Series 2022 Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(h) The Series 2022 Bonds are issuable in the form of fully registered bonds in the Authorized Denominations.

(i) Anything in the Series 2022 Bonds or in the Indenture to the contrary notwithstanding, the obligations of the Issuer under the Indenture and under the Series 2022 Bonds shall be subject to the limitation that payments of interest or other amounts on the Series 2022 Bonds shall not be required to the extent that receipt of any such payment by a Holder of a Series 2022 Bond would be contrary to the provisions of law applicable to such Holder which would limit the maximum rate of interest which may be charged or collected by such Holder of a Series 2022 Bond.

Section 2.03. Redemption of Series 2022 Bonds.

(a) General Optional Redemption. The Series 2022 Bonds shall be subject to redemption, on or after December 1, 2032, in whole or in part at any time at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2022 Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

(b) Extraordinary Redemption. The Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), as a whole on any date, upon notice or waiver of notice as provided in the Indenture, at a Redemption Price of one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

(i) The Facility and/or the Collateral Mortgaged Property shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility and/or the Collateral Mortgaged Property cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility and/or the Collateral Mortgaged Property for a period of one year from the date of such damage or destruction,

or (C) the restoration cost of the Facility and/or the Collateral Mortgaged Property would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction plus any other amounts made available for the restoration thereof by or on behalf of the Institution; or

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

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

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

(c) Mandatory Sinking Fund Installment Redemption. The Series 2022 Bonds shall be subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in Sections 5.05(d) and (f) of the Indenture:

Sinking Fund Installment Payment Date (December 1)	Sinking Fund Installment	Sinking Fund Installment Payment Date (December 1)	Sinking Fund Installment
2024	$155,000	2039	$370,000
2025	150,000	2040	405,000
2026	170,000	2041	425,000
2027	180,000	2042	455,000
2028	190,000	2043	490,000
2029	185,000	2044	520,000
2030	215,000	2045	555,000
2031	215,000	2046	585,000
2032	240,000	2047	635,000
2033	255,000	2048	670,000
2034	275,000	2049	715,000
2035	305,000	2050	755,000
2036	305,000	2051	10,190,000
2037	340,000	2052*	10,855,000
2038	355,000		

*final maturity

If Series 2022 Bonds in an amount equal to the Authorized Principal Amount with respect thereto have not been issued on or before the Series 2022 Project Completion Date, then the Bondholder Representative shall revise the mandatory Sinking Fund Installment schedule set forth above, by reducing the Sinking Fund Installments, on a pro rata basis (rounded to the nearest Authorized Denomination), by the amount of the Series 2022 Bond proceeds not advanced under the Indenture. The revised Sinking Fund Installment schedule referred to above shall be calculated by the Bondholder Representative and such revised Sinking Fund Installment schedule must be accompanied by an opinion of Nationally Recognized Bond Counsel to the effect that the substitution of such schedule in lieu of the then existing schedule will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes. The Bondholder Representative shall provide a copy of such calculation and opinion of Nationally Recognized Bond Counsel to the Trustee. Until the Trustee receives such calculation and opinion from the Bondholder Representative, it may consider the schedule as set forth above unchanged. If any redemption shall occur pursuant to this Article II, the mandatory Sinking Fund Installment schedule set forth above shall be revised accordingly by the Bondholder Representative to reflect the reduction of the amount of Bonds then Outstanding as a result of such redemption and such schedule shall be provided to the Issuer and the Trustee.

(d) Mandatory Redemption from Excess Proceeds and Certain Other Amounts. (i) The Series 2022 Bonds shall be redeemed at any time in whole or in part, by lot, prior to maturity in the event and to the extent excess Series 2022 Bond proceeds shall remain after the completion of the Series 2022 Project, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2022 Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(ii) The Bonds shall be redeemed at any time in whole or in part, and if in part on a pro rata basis among all Bonds Outstanding, prior to maturity in the event and to the extent:

(1) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and the Indenture,

(2) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(3) certain funds received by the Institution pursuant to Section 11.4 of the Loan Agreement which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for completion of the Project or related Project Costs, except any Grant Proceeds, which shall be used by the Institution to redeem Bonds,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

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

Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

(f) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2022 Bonds shall be redeemed prior to maturity on any date within one hundred twenty (120) days following such Determination of Taxability, at a Redemption Price equal to one hundred and five percent (105%) of the principal amount thereof, together with unpaid accrued interest at the Taxable Rate from the occurrence of the Event of Taxability to the date of redemption. The Series 2022 Bonds shall be redeemed in whole unless redemption of a portion of the Series 2022 Bonds Outstanding would have the result that interest payable on the Series 2022 Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Series 2022 Bond. In such event, the Series 2022 Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

(g) Redemption of Series 2022 Bonds permitted or required by this Article II shall be made as follows, and the Trustee shall give the notice of redemption required by Section 6.03 of the Original Indenture in respect of each such redemption:

(i) Redemption shall be made pursuant to the general optional redemption provisions of Sections 2.03(a) or (b) at such times as are permitted under such Sections and, in the case of Section 2.03 (a), in such principal amounts, as the Institution shall request in a written notice to the Trustee in accordance with Section 4.3(c) of the Loan Agreement.

(ii) Redemption shall be made pursuant to the mandatory Sinking Fund Installment redemption provisions of Section 2.03(c) as and when required by such Section without the necessity of any request by, or notification from the Issuer or from the Institution, but subject to the provisions of Section 5.05(d) and (f) of the Indenture.

(iii) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(d) at the earliest possible date following the deposit of the excess proceeds or other amounts in the Redemption Account of the Bond Fund, without the necessity of any instructions or further act of the Issuer or the Institution.

(iv) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(e) on the date specified therein in the event redemption is required under such circumstances, without the necessity of any instructions or further act of the Institution.

(v) Redemption shall be made pursuant to the mandatory taxability redemption provisions of Section 2.03(f) at the earliest possible date, but no later than one hundred twenty (120) days following the Determination of Taxability, without the necessity of any instructions or further act of the Issuer or the Institution.

Section 2.04. Delivery of the Series 2022 Bonds. The Series 2022 Bonds shall be executed in the form and manner set forth in the Indenture and shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of the Series 2022 Bonds including the interest, if any, accrued on the Series 2022 Bonds to the Closing Date, the Series 2022 Bonds shall be delivered by the Trustee on behalf of the Issuer to or upon the order of the purchaser(s) thereof, but only upon receipt by the Trustee of:

(a) a copy, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, of the Bond Resolution;

(b) an original executed counterpart of each Project Document;

(c) a written opinion by Nationally Recognized Bond Counsel to the effect that the issuance of the Series 2022 Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and

(d) the written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the Series 2022 Bonds to the purchaser(s) therein identified upon payment to the Trustee for the account of the Issuer of the purchase price therein specified, plus accrued interest, if any.

Section 2.05. Date of Series 2022 Bonds . The Series 2022 Bonds shall be dated their date of original issuance (subject to the provisions set forth in Article III of the Original Indenture with respect to transfers and exchanges) and will bear interest from their date at the applicable rate or rates until the entire principal amount of the Series 2022 Bonds has been paid.

Section 2.06. Form of Series 2022 Bonds. Subject to the provisions of 3.03 of the Original Indenture, the Series 2022 Bonds shall be in substantially the form set forth in Exhibit 1 –"Form of Series 2022 Bonds", with such variations, omissions and insertions as are permitted or required by the Indenture.

Section 2.07. Legends. Each Series 2022 Bond shall contain on the face thereof a statement to the effect that "THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE BUILD NYC RESOURCE CORPORATION OTHER THAN THOSE PLEDGED THEREFOR" and "THIS BOND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A PERSON CONSTITUTING A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED) OR AN "ACCREDITED INVESTOR" (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED)"; provided, however, that after the Series 2022 Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, this requirement shall no longer apply to the Series 2022 Bonds.

Section 2.08. Special Exchange of Series 2022 Bonds. Upon receipt by the Trustee of the written consent of 100% of the Beneficial Owners of the Series 2022 Bonds and an Opinion of Nationally Recognized Bond Counsel providing that the actions described in this Section will not result in the interest on any of the Bonds to cease to be excluded from gross income for federal income tax purposes under the Code, the Trustee shall exchange all Outstanding Series 2022 Bonds for two or more serial and/or term Series 2022 Bonds, as directed in writing by such Beneficial Owners, in such principal amounts, bearing interest at such rates, maturing on such dates and being subject to mandatory sinking fund redemption on such dates as are specified in such written direction; provided, however, that (A) the aggregate principal

amount of such serial and/or term Series 2022 Bonds shall be less than or equal to the aggregate principal amount of all Series 2022 Bonds Outstanding immediately prior to such exchange, and (B) the overall debt service on such serial and/or term Series 2022 Bonds shall be less than or equal to the overall debt service on the Series 2022 Bonds Outstanding immediately prior to such exchange. Any such exchanged Series 2022 Bonds shall be issued in book-entry only form with DTC, and the expenses associated with reissuance, obtaining new CUSIP numbers and DTC registration, obtaining the opinion of Nationally Recognized Bond Counsel and other opinions, and the reasonable fees and expenses of the Trustee shall be paid by the Beneficial Owners of the Series 2022 Bonds.

[END OF ARTICLE II]

ARTICLE III

APPLICATION OF SERIES 2022 BOND PROCEEDS; CREATION OF ACCOUNTS; PROJECT FUND

Section 3.01. Application of Proceeds of Series 2022 Bonds . (a) The proceeds of the sale of the Series 2022 Bonds shall be applied by the Trustee on the applicable Series 2022 Draw-Down Date for deposit in the Series 2022 Bonds Project Account of the Project Fund for purpose of paying Project Costs related to the Series 2022 Bonds as provided in Section 3.03 of this First Supplemental Indenture and for the deposit in the Series 2022 Bonds Debt Service Reserve Account as required under the Indenture. It is the intention of the parties that the Series 2022 Bonds shall constitute a draw-down loan, as defined in Treasury Regulation Section 1.150-1(c)(4)(i) and the Indenture shall be construed and the Trustee, the Holders and Beneficial Owners of the Series 2022 Bonds and the Institution shall operate consistent with such Regulation. The Trustee shall maintain the record reflecting the draw-down amounts from time to time, as described in Section 2.02 of this First Supplemental Indenture. Amounts deposited in the Series 2022 Bonds Project Account of the Project Fund will be expended within thirty (30) Business Days of each Series 2022 Draw-Down Date.

(a) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2022 Bonds on the Series 2022 Draw-Down Date that is also the Closing Date, together with the Institution's equity contribution in the amount of $255,640.17, the Trustee shall deposit such proceeds as follows:

(i) $887,550.00 shall be deposited into the Series 2022 Bonds Debt Service Reserve Account of the Debt Service Reserve Fund, an amount equal to the Debt Service Reserve Requirement for the Outstanding Series 2022 Bonds as of the Closing Date;

(ii) $7,212,646.00 shall be deposited into the Series 2022 Bonds Project Account of the Project Fund and applied by the Trustee to pay a portion of the Project Costs related to the Series 2022 Bonds; and

(iii) $744,678.27 shall be deposited into the Series 2022 Bonds Costs of Issuance Account of the Project Fund and applied by the Trustee to pay the Costs of Issuance relating to the Series 2022 Bonds.

(b) The Institution shall request an additional loan of the proceeds of the Series 2022 Bonds by delivering to the Trustee at least ten (10) Business Days prior to the requested Series 2022 Draw-Down Date a Series 2022 Advance Direction Letter, duly executed by the Initial Bondholder, a copy of which shall be delivered to the Issuer and the Underwriter; provided, however, that each such loan shall be in an amount of not less than $1,000,000. Such Series 2022 Advance Direction Letter shall be accompanied by a copy of the related requisition and supporting materials required for the disbursement of funds from the Series 2022 Bonds Project Account of the Project Fund in accordance with Section 3.03(b) of this First Supplemental Indenture.

(c) Upon the receipt by the Trustee of the proceeds of the sale and delivery of the Series 2022 Bonds on each Series 2022 Draw-Down Date for the Series 2022 Bonds, the Trustee shall (i) from such proceeds, deposit in the Series 2022 Bonds Project Account of the Project Fund the amount specified in the Series 2022 Advance Direction Letter delivered to the Trustee in connection with such Series 2022 Draw-Down Date to be so deposited and (ii) from such proceeds, deposit in the Series 2022 Bonds Debt Service Reserve Fund the amount specified in such Series 2022 Advance Direction Letter to be so deposited, which amount shall be the amount equal to the Debt Service Reserve Requirement for all Outstanding Series 2022 Bonds as determined on such Series 2022 Draw-Down Date.

(d) The aggregate installments of the sale of the Series 2022 Bonds made on and prior to each Series 2022 Draw-Down Date shall not exceed the maximum Authorized Principal Amount of the Series 2022 Bonds. Upon the payment of each purchase price installment of the Series 2022 Bonds to the Trustee, the installment so paid shall constitute a loan of the proceeds of the Series 2022 Bonds by the Issuer to the Institution. The amounts funded in such manner shall be duly noted by the Trustee on the principal logs maintained by the Trustee. The Trustee shall maintain on its copy of the principal logs a complete account of all such loans of the proceeds of the Series 2022 Bonds and the principal amount of the Outstanding Series 2022 Bonds.

Section 3.02. Creation of Accounts for Series 2022 Bonds . The Issuer hereby establishes and creates (a) within the Project Fund, the Series 2022 Bonds Project Account, (b) within the Project Fund, the Series 2022 Bonds Costs of Issuance Account, and (c) within the Debt Service Reserve Fund, the Series 2022 Bonds Debt Service Reserve Account.

Section 3.03. Project Fund. (a) There shall be deposited in the Project Fund any and all amounts required to be deposited therein pursuant to Section 3.01 of this First Supplemental Indenture and Sections 5.06 and 5.07 of the Original Indenture or otherwise required to be deposited therein pursuant to the Loan Agreement or the Indenture.

The Trustee shall apply the amounts on deposit in the Series 2022 Bonds Project Account of the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the Institution or the Issuer, of Project Costs related to the Series 2022 Bonds (excluding interest on the Series 2022 Bonds during the period of Series 2022 Project construction and renovation) to the extent requisitioned under subsection (b) hereto.

(b) The Trustee is hereby authorized to disburse from the Series 2022 Bonds Project Account of the Project Fund amounts required to pay (in whole or in part) the Project Costs related to the Series 2022 Bonds and is directed to issue its checks (or, at the direction of the Institution, make wire transfers) for each disbursement from the Series 2022 Bonds Project Account of the Project Fund for the Project Costs related to the Series 2022 Bonds, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the Institution; provided, however, that the Trustee shall retain in the Series 2022 Bonds Project Account of the Project Fund an amount equal to the greater of (a) $60,000 or (b) the lesser of (i) one percent (1%) of the original principal amount of the Series 2022 Bonds or (ii) $500,000, until an Authorized Representative of the Institution shall have delivered the completion certificate and other documents required by Section 3.02(f) of the First Loan Agreement Amendment.

The requisition from the Series 2022 Bonds Project Account of the Project Fund shall be accompanied by bills or invoices (stamped "paid" by the Person to whom payment was due or with other evidence of payment if reimbursement is to be made to the Institution), including evidence that the bill, invoice or other evidence was not incurred on a date prior to sixty (60) days prior to the date of adoption by the Issuer or the Institution of the Reimbursement Resolution for the Series 2022 Project. Such requisition shall be as set forth in Exhibit 2 — "Form of Requisition from the Series 2022 Bonds Project Account of the Project Fund" and shall be submitted to the Trustee. The Trustee shall disburse amounts from the Series 2022 Bonds Project Account of the Project Fund not later than five (5) Business Days following the receipt of the executed requisition and accompanying bills or invoices, except that any such requisition and accompanying bills or invoices submitted on the Closing Date shall have disbursements made by the Trustee on such Closing Date. The Trustee shall be entitled to conclusively rely on the correctness and accuracy of such requisition as well as the propriety of the signature thereon.

In addition to the foregoing, any requisition submitted to the Trustee for costs of construction, improving and/or renovating the Series 2022 Facility Realty shall be accompanied by a notice

of title continuation or an endorsement to the title insurance policies theretofore delivered pursuant to Section 3.03 of the First Loan Agreement Amendment, indicating that since the last preceding disbursement of any amounts held in the Series 2022 Bonds Project Account of the Project Fund, there has been no change in the state of title and no exceptions not theretofore approved by the Issuer and the Trustee (which approvals shall not be unreasonably withheld) or permitted by the specific terms of the Series 2022 Agreement to Advance and the Construction Disbursement and Monitoring Agreement, which notice or endorsement shall contain no exception for inchoate mechanic's liens not permitted by the specific terms of the Series 2022 Agreement to Advance and the Construction Disbursement and Monitoring Agreement (and such affirmative insurance relating thereto as the Issuer and/or the Trustee shall reasonably require) and shall have the effect of redating such policies to the date of the disbursement then being made and increasing the coverage of the policies by an amount equal to the disbursement then being made if the policies do not by their terms provide for such an increase.

Notwithstanding the foregoing, the Trustee shall not disburse Project Costs related to the Series 2022 Bonds subject to the Construction Disbursement and Monitoring Agreement unless it has also received a disbursement request substantially in the form attached as Exhibit A to the Construction Disbursement and Monitoring Agreement.

(c) The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom and shall furnish copies of same to the Issuer or the Institution upon reasonable written request.

(d) The Trustee shall on written request furnish to the Issuer, the Bondholder Representative and the Institution within a reasonable time period a written statement of disbursements from the Project Fund, enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills, invoices or other evidences submitted to the Trustee for such disbursement.

(e) The completion of the Series 2022 Project shall be evidenced as set forth in Section 3.02(f) of the First Loan Agreement Amendment including the filing of the certificate of an Authorized Representative of the Institution referred to therein. Upon the filing of such certificate, the balance in the Series 2022 Bonds Project Account of the Project Fund in excess of the amount, if any, stated in such certificate for the payment of any remaining part of the costs of the Series 2022 Project, together with any balance of such remaining amount in the Series 2022 Bonds Project Account of the Project Fund and any amount on deposit in the Earnings Fund derived from transfers made thereto from the Series 2022 Bonds Project Account of the Project Fund shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Certificate and Section 5.07 of the Original Indenture, and after depositing in the Series 2022 Bonds Debt Service Reserve Account of the Debt Service Reserve Fund an amount equal to any deficiency therein (subject to the requirements of the Tax Certificate), be deposited by the Trustee in the Redemption Account of the Bond Fund to be applied to the redemption of Series 2022 Bonds at the earliest practicable date. The Trustee shall promptly notify the Institution of any amounts so deposited in the Redemption Account of the Bond Fund pursuant to this Section 3.03(e).

(f) In the event the Institution shall be required to or shall elect to cause the Series 2022 Bonds to be redeemed in whole pursuant to the Loan Agreement, the balance in the Series 2022 Bonds Project Account of the Project Fund and in the Earnings Fund (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Certificate and Section 5.07 of the Original Indenture) and in the Series 2022 Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be deposited in the Redemption Account of the Bond Fund. In the event the unpaid principal amount of the Series 2022 Bonds shall be accelerated upon the occurrence of an Event of Default hereunder, the balance in the Series 2022 Bonds Project Account of the Project Fund and in the Earnings Fund (in excess of any

amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Certificate and Section 5.07 of the Original Indenture) and in the Series 2022 Bonds Debt Service Reserve Account of the Debt Service Reserve Fund shall be deposited in the Bond Fund as provided in Section 8.03 of the Original Indenture.

(g) Except as provided in Section 5.06 of the Original Indenture, all earnings on amounts held in the Project Fund shall be transferred by the Trustee and deposited in the Earnings Fund. Any transfers by the Trustee of amounts to the Rebate Fund shall first be drawn by the Trustee from the Earnings Fund prior to drawing any amounts from the Project Fund.

[END OF ARTICLE III]

ARTICLE IV

AMENDMENTS

Section 4.01. Consent of the Trustee and the Issuer to Amendments Requiring Bondholder Representative Consent. Pursuant to Section 12.03 of the Original Indenture, the Bondholder Representative shall have the right from time to time, to consent to and approve the entering into by the Issuer and the Trustee of any Supplemental Indenture for the purpose of modifying, altering, amending adding to or rescinding, in any particular, any of the terms or provisions contained in the Original Indenture. Subject to the receipt by the Trustee and the Issuer of the Bondholder Representative's written consent to the amendments set forth in Section 4.02 below, the Trustee and the Issuer hereby consent to the amendments set forth in Section 4.02 below.

Section 4.02. Amendments to the Original Indenture Requiring Bondholder Representative Consent. The Original Indenture is amended as follows:

(a) Amendments to ARTICLE II.

1. The first sentence of Section 2.01(a) of the Original Indenture is amended to add the following after reference to "Section 3.07":

(or the corresponding provisions of any Supplemental Indenture).

2. Section 2.01(b) of the Original Indenture is amended to add the following sentences before the last sentence in the section:

> The Bonds are also secured by the Collateral Mortgage, as applicable. The Trustee, as mortgagee under the Series 2018 Mortgage and the Series 2022 Mortgage, acknowledges and agrees that, though the Series 2018 Mortgage was entered into and recorded prior to the Series 2022 Mortgage, any cash proceeds realized by the Trustee as a consequence of the sale of, collection out of or other realization upon all or any part of the Series 2018 Mortgaged Property or the Series 2022 Mortgaged Property, including with respect to foreclosure in respect of the Series 2018 Mortgage or the Series 2022 Mortgage, shall be held for the equal benefit of the Holders of the Series 2018 Bonds, the Holders of the Series 2022 Bonds and the Holders of any Additional Bonds and shall be applied in accordance with the provisions of this Indenture, including Section 8.03.

3. Section 2.03(c) of the Original Indenture is amended by replacing all references therein to "Initial Bonds" with "Bonds."

4. Section 2.03(c)(i) of the Original Indenture is deleted in its entirety and replaced with the following:

(i) The Facility and/or the Collateral Mortgaged Property shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility and/or the Collateral Mortgaged Property cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility and/or the Collateral Mortgaged Property for a period of one year from the date of such damage or destruction, or (C) the restoration cost of the Facility and/or the Collateral Mortgaged

Property would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction plus any other amounts made available for the restoration thereof by or on behalf of the Institution; or

5. Section 2.03(e) of the Original Indenture is deleted in its entirety and replaced with the following:

(e) Mandatory Redemption from Excess Proceeds and Certain Other Amounts. (i) The Series 2018 Bonds shall be redeemed at any time in whole or in part on a pro rata basis between the Series 2018A Bonds and the Series 2018B Bonds, based on the Outstanding principal amount thereof, prior to maturity in the event and to the extent excess Series 2018 Bond proceeds shall remain after the completion of the Series 2018 Project, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2018 Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(ii) The Bonds shall be redeemed at any time in whole or in part, and if in part on a pro rata basis, among all Bonds Outstanding, prior to maturity in the event and to the extent:

(1) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and the Indenture,

(2) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(3) certain funds received by the Institution pursuant to Section 11.4 of the Loan Agreement which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for completion of the Project or related Project Costs, except any Grant Proceeds, which shall be used by the Institution to redeem Bonds,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

6. Section 2.03(f) of the Original Indenture is amended by replacing all references therein to "Initial Bonds" with "Bonds."

7. Section 2.03(h)((3) of the Original Indenture is deleted in its entirety and replaced with the following:

(3) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(e) at the earliest possible date following the deposit of the excess proceeds or other amounts in the Redemption Account of the Bond Fund, without the necessity of any instructions or further act of the Issuer or the Institution.

8. The first sentence of Section 2.06 of the Original Indenture is deleted in its entirety and replaced with the following:

> Only such Bonds as shall have endorsed thereon a certificate of authentication, in substantially the form set forth in the Form of Initial Bond in Exhibit C (or in any Form of Bond set forth in a Supplemental Indenture in connection with the issuance of a Series of Additional Bonds), duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture.

9. Section 2.07(d) of the Original Indenture is deleted in its entirety and replaced with the following:

> (d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with any Bonds Outstanding, if any, issued pursuant to this Section without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by this Indenture, including as set forth in Section 1.03.

10. The following subsection (f) is added to the end of Section 2.07 of the Original Indenture:

> (f) No obligations senior in payment priority to the Bonds shall be issued or incurred by the Institution or the Issuer on behalf of the Intuition at any time while the Bonds are Outstanding and no obligations on a parity with the Bonds shall be issued or incurred by the Institution or the Issuer on behalf of the Intuition except for Additional Bonds that are issued pursuant to and in accordance with the provisions of this Section 2.07.

11. Section 2.09 of the Original Indenture is amended by replacing all references therein to "Initial Bonds" with "Bonds."

(b) Amendments to ARTICLE III.

1. The last sentence of Section 3.04 of the Original Indenture is amended to add the following after reference to "Section 2.02":

(or the corresponding provisions of any Supplemental Indenture)

(c) Amendments to ARTICLE V.

1. Section 5.03(b) of the Original Indenture is deleted in its entirety and replaced with the following:

> (b) In the event the Institution has elected to take action to effect an optional redemption of the Bonds pursuant to Section 2.03(c)(i) or (ii) (or the corresponding provisions of any Supplemental Indenture), the Trustee shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Certificate and Section 5.07, transfer the amounts deposited in the Renewal Fund to the Redemption Account of the Bond Fund.

If, on the other hand,

(1) the Institution has not elected to take action to effect an optional redemption of the Bonds pursuant to Section 2.03(c)(i) or (ii) (or the corresponding provisions of any Supplemental Indenture), and

(2) the Institution shall have notified the Trustee of its intent to rebuild, replace, repair and restore the Facility,

the Trustee shall apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Certificate and Section 5.07, to such rebuilding, replacement, repair and restoration.

2. Provision (iii) of the third sentence of Section 5.03(e) of the Original Indenture is deleted in its entirety and replaced with the following:

(iii) a search prepared by a title company, or other evidence satisfactory to the Trustee, indicating that there has not been filed with respect to the Facility any mechanic's, materialmen's or any other Lien in connection with the rebuilding, replacement, repair and restoration of the Facility and that there exist no Liens other than those Liens consented to by the Issuer, the Trustee and the Bondholder Representative (or as permitted by the specific terms of the Agreement to Advance, the Series 2022 Agreement to Advance and the Construction Disbursement and Monitoring Agreement).

3. The second sentence in Section 5.07(b) of the Original Indenture is amended to add the following after reference to "Section 3.2(f) of the Loan Agreement":

(or the corresponding provisions of any amendment to the Loan Agreement)

4. Section 5.07(c) of the Original Indenture is deleted in its entirety and replaced with the following:

(c) If within sixty (60) days following any Computation Date, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall withdraw such excess amount and deposit it in the applicable account of the Project Fund until the completion of the Project as provided in Section 3.2(f) of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement), or, after the completion of the Project, deposit it in the Interest Account of the Bond Fund.

5. Section 5.07(d) of the Original Indenture is amended by replacing all references therein to "Initial Bonds" with "Bonds."

(d) Amendments to ARTICLE VI.

1. Section 6.04 of the Original Indenture is amended by replacing all references therein to "Initial Bonds" with "Bonds."

(e) Amendments to ARTICLE VII.

1. Section 7.07 of the Original Indenture is amended by replacing all references therein to "Initial Bonds" with "Bonds."

(f) Amendments to ARTICLE VIII.

1. Subsection (z) of Section 8.12 of the Original Indenture is deleted in its entirety and replaced with the following:

> (z) substituting for the Institution, a new Entity to either be a counterparty to the Issuer under the Loan Agreement or to use all or a portion of the Facility (a "Substitute Entity"), unless, in either case, all material facts relating to either any restructuring of the underlying indebtedness secured by the Mortgage (a "Mortgage Restructuring"), the Security Document Action and/or the Substitute Entity shall have been set forth in a writing delivered to the Issuer and

(g) Amendments to ARTICLE X.

1. Section 10.1 of the Original Indenture is deleted in its entirety and replaced with the following:

> (a) The initial Bondholder Representative shall be Preston Hollow Capital, LLC. Preston Hollow Capital, LLC shall serve as the Bondholder Representative until (i) Preston Hollow Capital, LLC resigns as the Bondholder Representative as provided herein, or (ii) both (A) Preston Hollow Capital, LLC and its Affiliates, together, are the Holders or Beneficial Owners of less than 25% of the aggregate principal amount of the Outstanding Bonds, and (B) Preston Hollow Capital, LLC is removed as the Bondholder Representative as provided herein.
>
> (b) The Bondholder Representative (i) shall have such rights as are set forth therefor in this Indenture and the Security Documents, and (ii) shall be the sole representative of the Holders of the Bonds to give any consents, waivers, authorizations or approvals hereunder, exercise any rights or direct remedies hereunder or take any other action as may be taken by the Holders under this Indenture.
>
> (c) So long as Preston Hollow Capital, LLC and its Affiliates, together, are the Holders or Beneficial Owners of 25% or more of the aggregate principal amount of the Outstanding Bonds, Preston Hollow Capital, LLC may not be removed as Bondholder Representative. During any period in which Preston Hollow Capital, LLC and its Affiliates, together, are not the Holders or Beneficial Owners of 25% or more of the aggregate principal amount of the Outstanding Bonds, the Majority Holders may remove the Bondholder Representative, by giving signed, written notice of such removal to the Issuer, the Trustee, the Institution and the Bondholder Representative, which removal shall become effective upon receipt of such written notice by the Issuer, the Trustee, the Institution and the Bondholder Representative. The Bondholder Representative may at any time resign by giving at least 30 days' written notice of such resignation to the Issuer, the Trustee and the Institution. Upon removal or resignation of the Bondholder Representative, the Majority Holders may, but shall not be required to, appoint a successor Bondholder Representative, by giving signed, written notice of such appointment to the Issuer, the Trustee and the Institution,

which appointment shall become effective upon receipt of such written notice by the Issuer, the Trustee and the Institution.

(d) At any time that the Bondholder Representative is called upon to make a decision, the Bondholder Representative must certify in writing to the Issuer and the Trustee the amount of Bonds then held by the Bondholder Representative and its Affiliates. It is expressively acknowledged and agreed that the Issuer and the Trustee may conclusively rely on the foregoing certification.

(h) Amendments to ARTICLE XI.

1. Section 11.02 of the Original Indenture is deleted in its entirety and replaced with the following:

Prior to any defeasance becoming effective as provided in Section 11.01(b), there shall have been delivered to the Issuer and to the Trustee and the Bondholder Representative (A) an opinion of Nationally Recognized Bond Counsel to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, (B) a verification from an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Issuer and the Trustee and the Bondholder Representative) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, Sinking Fund Installments for, interest on, and redemption premium, if any, of the Bonds to be defeased and (C) a defeasance opinion of Nationally Recognized Bond Counsel.

2. Section 11.03 of the Original Indenture is deleted in its entirety and replaced with the following:

No provision of this Article XI, including any defeasance of Bonds, shall limit the rights of the Holder of any Bonds under Section 3.06, 3.07 or 3.09 (or the corresponding provisions of any Supplemental Indenture) until such Bonds shall have been paid in full.

(i) Amendments to ARTICLE XIV.

1. Section 14.02(1) of the Original Indenture is deleted in its entirety and replaced with the following:

(1) if to the Issuer, to
Build NYC Resource Corporation
One Liberty Plaza
New York, New York 10006
Attention:General Counsel
with a copy to

Build NYC Resource Corporation
One Liberty Plaza
New York, New York 10006
Attention: Executive Director

(j) Amendments to Appendix A – "Definitions of Certain Terms in the Indenture and the Loan Agreement" of the Original Indenture.

1. The definition of "Annual Evaluation Date" is deleted in its entirety.

2. The definition of "Authorized Denomination" is deleted in its entirety and replaced with the following:

> **Authorized Denomination** shall mean $100,000 or any integral multiple of $5,000 in excess thereof; provided, however, that after the Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination with respect to the Bonds shall be $5,000 or any integral multiple thereof.

3. The definition of "Authorized Principal Amount" is deleted in its entirety and replaced with the following:

> **Authorized Principal Amount** shall mean, (i) in the case of the Series 2018A Bonds, up to $117,000,000, (ii) in the case of the Series 2018B Bonds, up to $42,600,000, (iii) in the case of the Series 2022 Bonds, up to $31,160,000, and (iv) in connection with a Series of Additional Bonds, as set forth in the Supplemental Indenture related to such Series of Additional Bonds.

4. The definition of "Authorized Representative" is deleted in its entirety and replaced with the following:

> **Authorized Representative** shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C — "Authorized Representative of Institution" to the Loan Agreement (or in an exhibit to any amendment to the Loan Agreement), or any other officer or employee of the Institution who is authorized to perform specific duties hereunder or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of the Loan Agreement, the Indenture or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

5. The definition of "Available Reserves" is deleted in its entirety and replaced with the following:

> **Available Reserves** shall mean, for any Liquidity Testing Date, the fair market value of all unrestricted and liquid cash and investments of the Institution as of such Liquidity Testing Date, determined as set forth in a Certificate of Authorized Representative of the Institution, but excluding the amounts on deposit in any bond

payment, debt service or similar fund pledged for the payment of principal or interest due on any Indebtedness, and in any event excluding amounts in a Debt Service Reserve Fund.

6. The definition of "Beneficial Owner" is deleted in its entirety and replaced with the following:

Beneficial Owner shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the Beneficial Owner of such Bond by the respective systems of DTC and each of the Participants of DTC. If at any time any or all of the Bonds are not held in the book-entry system, Beneficial Owner with respect to such Bond shall mean "Holder" for purposes of the Security Documents.

7. The definition of "Benefits" is deleted in its entirety.

8. The definition of "Bond Purchase Agreement" is deleted in its entirety.

9. The definition of "Bond Resolution" is deleted in its entirety and replaced with the following:

Bond Resolution shall mean (i) in the case of the Series 2018 Bonds, the resolution of the Issuer adopted on November 7, 2018, authorizing the Series 2018 Project and the issuance of the Series 2018 Bonds, (ii) in the case of the Series 2022 Bonds, the resolution of the Issuer adopted on January 18, 2022, authorizing the Series 2022 Project and the issuance of the Series 2022 Bonds, and (iii) in the case of a Series of Additional Bonds, the resolution of the Issuer adopted in connection with the issuance of such Series of Additional Bonds.

10. The definition of "Bonds" is deleted in its entirety and replaced with the following:

Bonds shall mean the Series 2018 Bonds, the Series 2022 Bonds and any Additional Bonds.

11. The definition of "Building Loan Agreement" is deleted in its entirety and replaced with the following:

Building Loan Agreement shall mean the Series 2018 Building Loan Agreement, the Series 2022 Building Loan Agreement and any building loan agreement entered into in connection with a Series of Additional Bonds, as applicable.

12. The following definition is added in the proper alphabetical order:

Series 2018 Building Loan Agreement shall mean the Building Loan Agreement, dated as of December 1, 2018, by and among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Loan Agreement and the Indenture.

13. The definition of "Cash Available for Debt Service" is deleted in its entirety and replaced with the following:

Cash Available for Debt Service shall mean for any Semi-Annual Period the amount determined as the sum of net income, depreciation, amortization, interest expense and any other noncash expense for such Semi-Annual Period, all as determined for financial reporting purposes for such Semi-Annual Period in accordance with GAAP.

14. The definition of "Closing Date" is deleted in its entirety and replaced with the following:

Closing Date shall mean, with respect to a Series of Bonds, the date of delivery of such Series of Bonds by the Trustee, against payment therefor.

15. The following definition is added in the proper alphabetical order:

Collateral Mortgage shall mean the Series 2018 Collateral Mortgage and the Series 2022 Collateral Mortgage, as applicable.

16. The definition of "Completion Deadline" is deleted in its entirety and replaced with the following:

Completion Deadline shall mean the Series 2018 Completion Deadline, the Series 2022 Completion Deadline and any completion deadline set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

17. The following definition is added in the proper alphabetical order:

Series 2018 Completion Deadline shall mean:

(i) October 1, 2019 for the Parking Lot Project Work;
(ii) June 1, 2020 for the Operating Room Project Work;
(iii) August 1, 2020 for the Cogeneration Facility Project Work;
(iv) June 1, 2021 for the Elevator Project Work;
(v) July 1, 2021 for the Emergency Department Project Work; and
(vi) November 1, 2021 for the Roof Project Work.

18. The definition of "Conduct Representation" is deleted in its entirety and replaced with the following:

Conduct Representation shall mean any representation by the Institution under Section 2.2(r) of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement), or by any other Person in any Required Disclosure Statement delivered to the Issuer.

19. The definition of "Costs of Issuance" is deleted in its entirety and replaced with the following:

Costs of Issuance shall mean issuance costs with respect to the Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not

limited to the following: the Underwriter's spread (whether realized directly or derived through the purchase of the Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, counsel to the Underwriter, Trustee's counsel, Issuer's counsel, Institution's counsel, counsel to the Initial Bondholder, the Bondholder Representative, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Issuer or the Institution incurred in connection with the issuance of the Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Certificate); Rating Agency fees; Trustee and Paying Agent fees; accountant fees and other expenses related to issuance of the Bonds; printing costs for the Bonds and for the preliminary and final offering documents relating to the Bonds; public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Bonds; Blue Sky fees and expenses; and similar costs.

20. The definition of "Days Cash-on-Hand" is deleted in its entirety and replaced with the following:

Days Cash on Hand shall mean for any Semi-Annual Period, (a) the product of (i) the number of days in such Semi-Annual Period, and (ii) the Available Reserves as of the Liquidity Testing Date for such Semi-Annual Period, divided by (b) the sum of the following for such Semi-Annual Period: (i) Total Cash Operating Expenses of the Institution during such Semi-Annual Period, (ii) payments of interest on, and principal of, the Bonds during such Semi-Annual Period, and (iii) payments of interest on, and principal of, all other Indebtedness of the Institution during such Semi-Annual Period.

21. The definition of "Days Cash on Hand Requirement" is deleted in its entirety and replaced with the following:

Days Cash on Hand Requirement shall mean: for each of the Fiscal Years ending December 31, 2018 - 2020, at least thirty (30) Days Cash on Hand as of each Liquidity Testing Date; for Fiscal Year ending December 31, 2021, at least thirty-five (35) Days Cash on Hand as of each Liquidity Testing Date for such Fiscal Year; for the Semi-Annual Periods ending June 30 and December 31, 2022, at least forty (40) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2023, at least forty-five (45) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2024, at least fifty (50) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2025, at least fifty-five (55) Days Cash on Hand and for each Semi-Annual Period from the Semi-Annual Period ending June 30, 2026 through the date of final maturity of the Bonds (or earlier date of redemption of the last outstanding Bond), at least sixty (60) Days Cash on Hand.

22. The following definition is added in the proper alphabetical order:

Semi-Annual Period(s) means (a) the period commencing on January 1 of a Fiscal Year and ending on June 30 of such Fiscal Year, and (b) the period commencing on July 1 of a Fiscal Year and ending on December 31 of such Fiscal Year.

23. The definition of "Debt Service Coverage Ratio" is deleted in its entirety and replaced with the following:

> **Debt Service Coverage Ratio** shall mean for a Semi-Annual Period, the ratio determined by dividing (i) a numerator equal to Cash Available for Debt Service during such Semi-Annual Period, by (ii) a denominator equal to the required payments during such Semi-Annual Period of principal of and interest on all Indebtedness of the Institution other than Short-Term Indebtedness incurred in accordance with Section 8.31(d) of the Loan Agreement (but including Capital Leases).

24. The definition of "Debt Service Coverage Ratio Requirement" is deleted in its entirety and replaced with the following:

> **Debt Service Coverage Ratio Requirement** means for the Semi-Annual Period ending June 30, 2022, a Debt Service Coverage Ratio of at least 1.20:1 and for the Semi-Annual Period ending December 31, 2022 and for each Semi-Annual Period thereafter through the date of final maturity of the Bonds (or earlier date of redemption of the last outstanding Bond), a Debt Service Coverage Ratio of at least 1.30:1.

25. The definition of "Debt Service Reserve Requirement" is amended by deleting the "and" preceding "(iii)" and by adding the following new subsection (iii). The prior subsection (iii) is hereby renumbered as (iv).

> (iii) with respect to the Series 2022 Bonds, as of any date of determination an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2022 Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2022 Bonds; or (C) one hundred twenty-five (125%) of the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2022 Bonds; and

26. The definition of "Debt Service Reserve Fund Valuation Date" is deleted in its entirety and replaced with the following:

> **Debt Service Reserve Fund Valuation Date** shall mean the end of each Fiscal Year.

27. The definition of "Default Rate" is deleted in its entirety and replaced with the following:

> **Default Rate** shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (c) with respect to the Series 2022 Bonds, the lesser of (i) the rate of 11.50% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; and (d) with respect to a Series

of Additional Bonds, such rate as set forth in a Supplemental Indenture with respect to such Series of Additional Bonds.

28. The definition of "Defaulted Interest" is deleted in its entirety and replaced with the following:

Defaulted Interest shall have the meaning specified in Section 2.02(g) of the Indenture (or the corresponding provision of any Supplemental Indenture).

29. The definition of "Deposit Account Control Agreement" is deleted in its entirety.

30. The definition of "Depository Bank" is deleted in its entirety.

31. The definition of "Estimated Project Cost" is deleted in its entirety and replaced with the following:

Estimated Project Cost shall mean (i) with respect to the Series 2018 Bonds, $87,249,037.11, and (ii) with respect to the Series 2022 Bonds, $36,108,095.

32. The definition of "Facility" is deleted in its entirety and replaced with the following:

Facility shall mean, the Series 2018 Facility, the Series 2022 Facility and any facility set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

33. The following definition is added in the proper alphabetical order:

Series 2018 Facility shall mean, collectively, the Series 2018 Facility Personalty and the Series 2018 Facility Realty.

34. The definition of "Facility Personalty" is deleted in its entirety and replaced with the following:

Facility Personalty shall mean, the Series 2018 Facility Personalty, the Series 2022 Facility Personalty and any facility personalty set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

35. The following definition is added in the proper alphabetical order:

Series 2018 Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Series 2018 Bonds for installation or use at the Series 2018 Facility Realty as part of the Series 2018 Project pursuant to Section 3.2 of the Loan Agreement and described in Exhibit B - "Description of the Facility Personalty" attached to the Indenture and to the Loan Agreement, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Series 2018 Facility Personalty shall, in

accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Series 2018 Facility Personalty and exclude all items of Series 2018 Facility Personalty so substituted for or replaced, and further exclude all items of Series 2018 Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

36. The definition of "Facility Realty" is deleted in its entirety and replaced with the following:

Facility Realty shall mean, the Series 2018 Facility Realty, the Series 2022 Facility Realty and any facility realty set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

37. The following definition is added in the proper alphabetical order:

Series 2018 Facility Realty shall mean the parcels located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York as described in Exhibit A – "Description of the Facility Realty" in the appendices to the Indenture and to the Loan Agreement (and shall include the parcels located at 737-741 Castleton Avenue, Staten Island, New York, to the extent such parcels are acquired and made subject to the Mortgage pursuant to Section 8.42 and Section 8.43 of the Loan Agreement), and all rights or interest therein or appertaining thereto, together with all structures, buildings, 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 3.2 of the Loan Agreement), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto.

38. The definition of "Final Project Cost Budget" is deleted in its entirety and replaced with the following:

Final Project Cost Budget shall mean the Series 2018 Final Project Cost Budget, the Series 2022 Final Project Cost Budget and any final project cost budget set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

39. The following definition is added in the proper alphabetical order:

Series 2018 Final Project Cost Budget shall mean that certain budget of costs paid or incurred for the Series 2018 Project to be submitted by the Institution pursuant to Section 3.2(f) of the Loan Agreement upon completion of the Series 2018 Project.

40. The definition of "Fiscal Year End Date" is deleted in its entirety.

41. The definition of "Gross Revenues" is deleted in its entirety and replaced with the following:

> **Gross Revenues** shall mean all receipts, revenues, income and other moneys received by or on behalf of the Institution, including, but without limiting the generality of the foregoing, revenues derived from the ownership or operation of all real or personal property owned by the Institution including but not limited to the Facility, casualty insurance and condemnation proceeds (to the extent not transferred to the Renewal Fund pursuant to Section 6.2 of the Loan Agreement) with respect to all real or personal property owned by the Institution including but not limited to the Facility or any portion thereof, and all rights to receive the same (including amounts retained by Institution under Section 3.5(a) of the Loan Agreement), whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; provided, however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Indebtedness) and the income derived therefrom to the extent required by such designation or specification shall be excluded from Gross Revenues.

42. The definition of "Indemnification Commencement Date" is deleted in its entirety and replaced with the following:

> **Indemnification Commencement Date** shall mean (i) in the case of the Series 2018 Bonds, November 7, 2018, the date on which the Issuer first adopted a resolution with respect to the Series 2018 Project, (ii) in the case of the Series 2022 Bonds, January 18, 2022, the date on which the Issuer first adopted a resolution with respect to the Series 2022 Project, and (iii) in the case of a Series of Additional Bonds, the date on which the Issuer first adopts a resolution with respect to the project related to such Series of Additional Bonds.

43. The definition of "Initial Bondholder" is deleted in its entirety and replaced with the following:

> **Initial Bondholder** shall mean the Series 2018 Initial Bondholder, the Series 2022 Initial Bondholder or any initial bondholder set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

44. The following definition is added in the proper alphabetical order:

> **Series 2018 Initial Bondholder** shall mean Preston Hollow Capital, LLC.

45. The following definition is added in the proper alphabetical order:

> **Series 2022 Initial Bondholder** shall mean PHCC LLC (d/b/a Preston Hollow Community Capital).

46. The definition of "Institution Documents" is amended to delete reference to "the Deposit Account Control Agreement" and to add reference to the Series 2022 Agreement to Advance.

47. The following definition is added in the proper alphabetical order:

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

48. The definition of "Interest Payment Date" is deleted in its entirety and replaced with the following:

Interest Payment Date shall mean, (i) with respect to the Series 2018 Bonds, semi-annually on June 1 and December 1 of each year, commencing June 1, 2019; (ii) with respect to the Series 2022 Bonds (a) during the Series 2022 Draw-Down Period, monthly on the first calendar day of each month, commencing August 1, 2022 and (b) thereafter, semi-annually on June 1 and December 1 of each year; and (iii) with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

49. Section (v) of the definition of "Issuer's Reserved Rights" is deleted in its entirety and replaced with "Reserved".

50. The definition of "Letter of Representation and Indemnity Agreement" is deleted in its entirety and replaced with the following:

Letter of Representation and Indemnity Agreement shall mean the Series 2018 Letter of Representation and Indemnity Agreement, the Series 2022 Letter of Representation and Indemnity Agreement and any letter of representation and indemnity agreement delivered in connection with a Series of Additional Bonds, as applicable.

51. The following definition is added in the proper alphabetical order:

Series 2018 Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Series 2018 Bonds.

52. The following definition is added in the proper alphabetical order:

Series 2022 Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Series 2022 Bonds.

53. The definition of "Liquidity Testing Date" is deleted in its entirety and replaced with the following:

Liquidity Testing Date shall mean (a) for each Semi-Annual Period ending June 30, such June 30, and (b) for each Semi-Annual Period ending on December 31, such December 31.

54. The definition of "Loan" is deleted in its entirety and replaced with the following:

Loan or **Loans** shall mean the loan(s) made by the Issuer to the Institution pursuant to the Loan Agreement as described in Section 4.1 of the Loan Agreement.

55. The definition of "Maturity Date" is deleted in its entirety and replaced with the following:

Maturity Date shall mean, with respect to a Series of Bonds, the date of final maturity of such Series of Bonds.

56. The definition of "Mortgage" is deleted in its entirety and replaced with the following:

Mortgage shall mean collectively, the Series 2018 Mortgage, the Series 2022 Mortgage, the Series 2018 Collateral Mortgage and the Series 2022 Collateral Mortgage, as applicable.

57. The following definition is added in the proper alphabetical order:

Series 2018 Mortgage shall mean, collectively, the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan), each dated as of December 1, 2018, and each from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

58. The definition of "Mortgaged Property" is deleted in its entirety and replaced with the following:

Mortgaged Property shall mean the Series 2018 Mortgaged Property, the Series 2022 Mortgaged Property, the Series 2018 Collateral Mortgaged Property and the Series 2022 Collateral Mortgaged Property, as applicable.

59. The following definition is added in the proper alphabetical order:

Series 2018 Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1) and 288 Kissel Avenue, Staten Island, New York 10310 (Block 102, Lot 262).

60. The definition of "Operations Commencement Date" is deleted in its entirety.

61. Subsection (v) of the definition of "Permitted Encumbrances" is deleted in its entirety and replaced with the following:

(v) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement) insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee.

62. The following definition is added in the proper alphabetical order:

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

63. The definition of "Project" is deleted in its entirety and replaced with the following:

Project shall mean, the Series 2018 Project, the Series 2022 Project and any project set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

64. The following definition is added in the proper alphabetical order:

Series 2018 Project shall mean the financing and/or refinancing of (a) the design, construction, furnishing, and equipping of a state-of-the-art Emergency Department ("ED") increasing the existing ED from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway; (b) the design and construction of a new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York; (c) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York which will be used to provide electrical energy to the Institution; (d) the infrastructure improvements, including, but not limited to, elevator upgrades and roof repair and replacement, with respect to various buildings located at 355 Bard Avenue, Staten Island, New York; (e) the existing taxable loans that were used to finance certain psychiatric facilities and robotic surgery equipment at 355 Bard Avenue and the renovation, furnishing and equipping of an existing approximately 68,000 square foot residential building located on an approximately 82,000 square foot parcel of land located at 288 Kissel Avenue, Staten Island, New York, which is primarily used to provide, among other things, employee housing to interns and residents in Institution's physician graduate education program; (f) a debt service reserve fund; and (g) certain costs related to the issuance of the Series 2018 Bonds.

65. The definition of "Project Completion Date" is deleted in its entirety and replaced with the following:

> **Project Completion Date** shall mean the Series 2018 Project Completion Date, the Series 2022 Project Completion Date and any project completion date set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

66. The following definition is added in the proper alphabetical order:

> **Series 2018 Project Completion Date** shall mean the date by which all of the following conditions have been satisfied: (i) the Issuer shall have received a signed and complete certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate" attached to the Loan Agreement, together with all attachments required thereunder, (ii) the Series 2018 Project Work shall have been finished and shall have been completed substantially in accordance with the plans and specifications therefor, (iii) if required, the Issuer shall have received a copy of a certificate of occupancy, a temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection issued by the New York City Department of Buildings, from the Institution, (iv) there shall be no certificate, license, permit, authorization, written approval or consent or other document required to permit the occupancy, operation and use of the Series 2018 Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature, and (v) the Series 2018 Facility shall be ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines.

67. The definition of "Project Cost Budget" is deleted in its entirety and replaced with the following:

> **Project Cost Budget** shall mean the Series 2018 Project Cost Budget, the Series 2022 Project Cost Budget, and any project cost budget set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

68. The following definition is added in the proper alphabetical order:

> **Series 2018 Project Cost Budget** shall mean that certain budget for costs of the Series 2018 Project Work as set forth by the Institution in Exhibit E — "Project Cost Budget" attached to the Loan Agreement.

69. Section (vi) of the definition of "Project Costs" is deleted in its entirety and replaced with the following:

> (vi) all costs of title insurance as provided in Section 3.7 of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement).

70. Section (vii) of the definition of "Project Costs" is deleted in its entirety and replaced with the following:

(vii) the payment of the Costs of Issuance with respect to the Bonds;

71. The definition of "Project Fee" is deleted in its entirety and replaced with the following:

Project Fee shall mean (i) in the case of the Series 2018 Bonds, $520,900, representing the $535,900 Issuer's financing fee, less the application fee of $15,000; (ii) in the case of the Series 2022 Bonds, $175,800, representing the $180,800 Issuer's financing fee, less the application fee of $5,000; and (iii) in the case of a Series of Additional Bonds, the project fee set forth in the amendment to the Loan Agreement related to such Series of Additional Bonds.

72. The definition of "Project Work" is deleted in its entirety and replaced with the following:

Project Work shall mean the Series 2018 Project Work, the Series 2022 Project Work and any project work set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

73. The following definition is added in the proper alphabetical order:

Series 2018 Project Work shall mean, collectively or individually, as applicable, the Cogeneration Facility Project Work, the Elevator Project Work, the Emergency Department Project Work, the Operating Room Project Work, the Parking Lot Project Work or the Roof Project Work.

74. The definition of "Rating Agency" is deleted in its entirety and replaced with the following:

Rating Agency shall mean any of S&P, Moody's, Fitch or Kroll and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds.

75. The definition of "Recapture Event" is deleted in its entirety.

76. The definition of "Recapture Period" is deleted in its entirety.

77. The definition of "Record Date" is deleted in its entirety and replaced with the following:

Record Date shall mean, with respect to any Interest Payment Date for the Bonds, the close of business on the fifteenth (15th) day of the month next preceding such Interest Payment Date, or, if such day is not a Business Day, the next preceding Business Day.

78. The following definition is added in the proper alphabetical order:

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

79. The definition of "Security Documents" is amended to add the word "and" after "the Environmental Indemnity Agreement," and to delete reference to the "Deposit Account Control Agreement".

80. The following definition is added in the proper alphabetical order:

Series 2018 Bonds shall mean collectively, the Series 2018A Bonds and the Series 2018B Bonds.

81. The following definition is added in the proper alphabetical order:

Sinking Fund Installment Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

82. The definition of "Special Record Date" is deleted in its entirety and replaced with the following:

Special Record Date shall have the meaning specified in Section 2.02(g) of the Indenture (or the corresponding provisions of any Supplemental Indenture).

83. The definition of "Tax Certificate" is deleted in its entirety and replaced with the following:

Tax Certificate shall mean, with respect to a Series of Bonds, the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Code, of the Issuer and the Institution, together with all exhibits and schedules attached thereto, including, but not limited to, the Certificate of the Institution as to 501(c)(3) Status and as to Representations and Information Regarding Tax-Exempt Financing Matters, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

84. The definition of "Taxable Rate" is deleted in its entirety and replaced with the following:

Taxable Rate shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (c) with respect to the Series 2022 Bonds, the lesser of (i) the rate of 11.50% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; and (d) with respect to a Series of Additional Bonds, such rate set forth in a Supplemental Indenture with respect to such Series of Additional Bonds.

Section 4.03. Consent of the Trustee and the Issuer to Amendments Requiring Consent of 100% of the Holders of the Series 2018B Bonds. Pursuant to Section 12.03 of the Original Indenture, the Holders of the Outstanding Series 2018B Bonds shall have the right, to consent to and approve the amendment set forth in Section 4.04. Subject to the receipt by the Trustee and the Issuer of the written consent of 100% of the Holders of the Outstanding Series 2018B Bonds to the amendment set forth in Section 4.04 below, the Trustee and the Issuer hereby consent to the amendment set forth in Section 4.04 below.

Section 4.04. Amendments to the Original Indenture Requiring Consent of 100% of the Holders of the Series 2018B Bonds. The Original Indenture is amended as follows:

(a) Amendments to ARTICLE II.

1. Section 2.03(a) of the Original Indenture is amended by replacing the reference therein to "June 1, 2028" with "December 1, 2032".

[END OF ARTICLE IV]

ARTICLE V

MISCELLANEOUS

Section 5.01. Trustee Approval of First Loan Agreement Amendment. A copy of the First Loan Agreement Amendment has been submitted to the Trustee for its examination and review. By its execution of this First Supplemental Indenture, the Trustee consents to the amendments contained in Article VI of the First Loan Agreement Amendment and acknowledges that it has approved, has agreed to and is bound by the provisions of the First Loan Agreement Amendment as incorporated herein.

Section 5.02. Mortgage Acknowledgement. It is acknowledged by the Trustee and the Issuer that regardless of the recording priority of the Mortgages, any proceeds of the Mortgages shall be applied pro rata among all Bonds Outstanding, including, without limitation, for purposes of Section 5.04 of the Original Indenture.

Section 5.03. No Pecuniary Liability of Issuer or Members; No Debt of the State or the City . Every agreement, covenant and obligation of the Issuer under this First Supplemental Indenture is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall not create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor but shall be a limited revenue obligation of the Issuer payable by the Issuer solely from the loan payments, revenues and receipts pledged to the payment thereof in the manner and to the extent in the Indenture specified and nothing in the Bonds, in the Loan Agreement, in the Indenture or in any other Security Document shall be considered as pledging any other funds or assets of the Issuer. The Issuer shall not be required under the Indenture or the Loan Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the loan payments, revenues and receipts and other moneys pledged to the payment of the Bonds, (iii) any income or gains therefrom, and (iv) the Net Proceeds with respect to the Facility. No provision, covenant or agreement contained in the Indenture or in the Bonds or any obligations herein or therein imposed upon the Issuer or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, employee or agent of the Issuer in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing the Bonds. Neither the Bonds, the interest thereon, the Sinking Fund Installments therefor, nor the Redemption Price thereof shall ever constitute a debt of the State or of the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor.

Section 5.04. Partial Invalidity. If any one or more of the provisions of this First Supplemental Indenture or of the Series 2022 Bonds shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions hereof or of the Series 2022 Bonds, but this First Supplemental Indenture and the Series 2022 Bonds shall be construed and enforced as of such illegal or invalid provision had not been contained herein.

Section 5.05. Laws Governing First Supplemental Indenture . This First Supplemental Indenture shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 5.06. Effective Date; Counterparts . The date of this First Supplemental Indenture shall be for reference purposes only and shall not be construed to imply that this First Supplemental Indenture was executed on the date first above written. This First Supplemental Indenture was delivered on the Closing Date for the Series 2022 Bonds. This First Supplemental Indenture shall become effective upon its delivery on the Closing Date for the Series 2022 Bonds. 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 5.07. Indenture to Remain In Effect. Save and except as supplemented by this First Supplemental Indenture, the Indenture shall remain in full force and effect.

Section 5.08. Waiver of Trial by Jury . Each party hereto hereby expressly waives all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this First Supplemental Indenture or any matters whatsoever arising out of or in any way connected with this First Supplemental Indenture. The provisions of this First Supplemental Indenture relating to waiver of trial by jury shall survive the termination or expiration of this First Supplemental Indenture.

Section 5.09. Legal Counsel; Mutual Drafting. Each party acknowledges that this First Supplemental Indenture is a legally binding contract and that it was represented by legal counsel in connection with the drafting, negotiation and preparation of this First Supplemental Indenture. Each party acknowledges that it and its legal counsel has cooperated in the drafting, negotiation and preparation of this First Supplemental Indenture and agrees that this First Supplemental Indenture and any provision hereof shall be construed, interpreted and enforced without regard to any presumptions against the drafting party. Each party hereby agrees to waive any rule, doctrine or canon of law, including without limitation, the contra preferentum doctrine, that would require interpretation of any ambiguities in this First Supplemental Indenture against the party that has drafted it.

Section 5.10. Conflicts. In the event of a conflict between the Original Indenture and this First Supplemental Indenture, this First Supplemental Indenture shall be controlling.

[END OF ARTICLE V]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Build NYC Resource Corporation, New York, New York, has caused this First Supplemental Indenture to be executed in its name and behalf by its Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and the Trustee has caused this First Supplemental Indenture to be signed in its name and behalf by an authorized representative and its corporate seal to be hereunto affixed, all as of the day and year first above written.

BUILD NYC RESOURCE CORPORATION

By:_____
Name: Emily Marcus
Title: Executive Director

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

On the ___ day of June, 2022, before me, the undersigned, personally appeared Emily Marcus known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon the behalf of whom the individual acted, executed the instrument.

_____
Notary Public

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Name: Michelle Mena-Rosado
Title: Vice President

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

On the ____ day of June, 2022, before me, the undersigned, personally appeared Michelle Mena-Rosado, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon the behalf of whom the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT 1

FORM SERIES 2022 BOND

THIS BOND SHALL NEVER CONSTITUTE A DEBT OR INDEBTEDNESS OF THE STATE OF NEW YORK OR OF THE CITY OF NEW YORK, AND NEITHER THE STATE OF NEW YORK NOR THE CITY OF NEW YORK SHALL BE LIABLE HEREON, NOR SHALL THIS BOND BE PAYABLE OUT OF ANY FUNDS OF THE BUILD NYC RESOURCE CORPORATION OTHER THAN THOSE PLEDGED THEREFOR

THIS BOND MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY TO A PERSON CONSTITUTING A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED) OR AN "ACCREDITED INVESTOR" (AS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED); PROVIDED, HOWEVER, THAT AFTER THE BONDS ARE RATED INVESTMENT GRADE BY A RATING AGENCY, THEN, UPON THE TRUSTEE RECEIVING WRITTEN NOTICE OF THE OCCURRENCE OF SUCH EVENT, THIS REQUIREMENT SHALL NO LONGER APPLY TO THE BONDS.

BUILD NYC RESOURCE CORPORATION
TAX-EXEMPT REVENUE BONDS
(Richmond Medical Center Project), Series 2022

Bond Date:	June 30, 2022
Maturity Date:	December 1, 2052
Registered Holder:	Cede & Co.
Principal Amount:	Up to $31,160,000
Interest Rate:	6.50%
Bond Number:	R-1
CUSIP:	12008ESQ0

Promise to Pay. Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York (herein called the "**Issuer**"), for value received, hereby promises to pay as hereinafter provided, solely from the loan payments, revenues and receipts as provided in the Indenture of Trust hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest at the Interest Rate set forth above on the unpaid principal balance hereof from the Bond Date set forth above until the Issuer's obligation with respect to the payment of such

Principal Amount shall be discharged. Payment of interest shall be made pursuant to the terms of the Indenture (as defined below). Such interest shall be computed on the basis of a 360-day year of twelve 30-day months. In no event shall the interest rate payable hereon exceed the maximum permitted by, or enforceable under, applicable law. Payment shall be made in any coin or currency of the United States of America which, on the respective dates of payment, is legal tender for the payment of public and private debts. Capitalized terms used but not defined in this bond shall have the respective meanings assigned to such terms in Appendix A to the Indenture hereinafter referred to.

This bond shall bear interest from the Bond Date indicated above, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration of transfer of Bonds, this bond shall bear interest from and including the Interest Payment Date next preceding the date of the authentication hereof, unless the date of such authentication shall be an Interest Payment Date to which interest hereon has been paid in full or duly provided for, in which case, this bond shall bear interest from and including such Interest Payment Date.

If there shall occur, and for so long as there shall continue to exist, an Event of Default (other than by reason of a failure to redeem the Series 2022 Bonds (hereinafter defined) in whole if there shall have occurred a Determination of Taxability), the annual rate of interest on the Series 2022 Bonds shall be the Default Rate commencing with the date of the occurrence of the Event of Default and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Event of Default. Any former Bondholder who was a Bondholder commencing on or after the date of the occurrence of the Event of Default, but who subsequent to such date sold or otherwise disposed of its Series 2022 Bonds or whose Series 2022 Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement (as such terms are hereinafter defined) the following, in an amount allocable to such period during which it held the Series 2022 Bonds subsequent to the Event of Default and the date upon which the Series 2022 Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2022 Bonds prior to the Event of Default and the rate borne by the Series 2022 Bonds on and subsequent to such date.

If there shall occur a Determination of Taxability, the annual rate of interest on the Series 2022 Bonds shall be the Taxable Rate commencing with the date of the Event of Taxability and any additional interest thereby due with respect to a period of time for which interest has already been paid shall be payable on the Interest Payment Date next following the Determination of Taxability. Any former Bondholder who was a Bondholder commencing on or after the date of the occurrence of an Event of Taxability, but who subsequent to such date sold or otherwise disposed of its Series 2022 Bonds or whose Series 2022 Bonds were redeemed or matured, shall be entitled to receive from the Institution under the Loan Agreement the following, in an amount allocable to such period during which it held the Series 2022 Bonds subsequent to the Event of Taxability and the date upon which the Series 2022 Bonds were sold, or otherwise disposed of, or redeemed or matured: the difference between the rate of interest borne by the Series 2022 Bonds prior to the Event of Taxability and the rate borne by the Series 2022 Bonds on and subsequent to such date.

Method of Currency. The principal or Redemption Price of, Sinking Fund Installments for, and interest on the Bonds shall be payable in any coin or currency of the United States of America that on the respective dates of payment thereof is legal tender for the payment of public and private debts.

Payments. The principal of, Sinking Fund Installments for, and the Redemption Price, if applicable, on all Bonds shall be payable by check or draft or wire transfer of immediately available funds at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof,

provided, however, that the payment in full of any Bond either at final maturity or upon redemption in whole shall only be payable upon the presentation and surrender of such Bonds at the designated corporate trust office of U.S. Bank National Association in New York, New York, as trustee and paying agent (the "**Paying Agent**"), or at the corporate trust office of any successor Paying Agent.

The interest payable on each Series 2022 Bond on any Interest Payment Date shall be paid by the Trustee to the registered holder of such Series 2022 Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such holder, or (2) if such Series 2022 Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered holder of Series 2022 Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Record Date for any interest payment.

Interest on any Series 2022 Bond that is due and payable but not paid on the date due ("**Defaulted Interest**") shall cease to be payable to the holder of such Series 2022 Bond on the relevant Record Date and shall be payable to the holder in whose name such Bond is registered at the close of business on a special record date (the "**Special Record Date**") for the payment of such Defaulted Interest, which Special Record Date shall be fixed as provided in the Indenture.

Authorization and Purpose. This bond is one of an authorized issue of bonds designated as "Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022" (the "**Series 2022 Bonds**") issued in the aggregate principal amount of up to $31,160,000. The Series 2022 Bonds are being issued under and pursuant to and in full compliance with the Constitution and laws of the State of New York, particularly the Not-for-Profit Corporation Law of the State of New York, and under and pursuant to a resolution adopted by the members of the Issuer on January 18, 2022 authorizing the issuance of the Series 2022 Bonds and under and pursuant to an Indenture of Trust, dated as of December 1, 2018, as amended and supplemented by the First Supplemental Indenture of Trust, dated as of June 1, 2022 (as the same may be further amended or supplemented, collectively, the "**Indenture**"), each made and entered into by and between the Issuer and U.S. Bank National Association, as trustee (said bank and any successor thereto under the Indenture being referred to herein as the "**Trustee**"), for the purpose of the financing of (a) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus (as defined in the Indenture); (b) other hospital expansions, renovations and equipment to be located on the Institution's Campus; (c) a debt service reserve fund; and (d) certain costs related to the issuance of the Series 2022 Bonds (collectively, the "**Project**") on behalf of Richmond Medical Center, d/b/a Richmond University Medical Center, a not-for-profit corporation, organized and existing under the laws of the State of New York (the "**Institution**"). In order to finance a portion of the costs of the Project, the Issuer has made a loan to the Institution in the original principal amount of the Series 2022 Bonds from the proceeds of the Series 2022 Bonds pursuant to a certain Loan Agreement, dated as of December 1, 2018, as amended and supplemented by the First Loan Agreement Amendment, dated as of June 1, 2022 (as the same may be further amended or supplemented, collectively, the "**Loan Agreement**"), each between the Issuer and the Institution, and the Institution has executed a certain Promissory Note dated the date of original issuance of the Series 2022 Bonds in favor of the Issuer (as the same may be amended or supplemented, the "**Promissory Note**") to evidence the Institution's obligation under the Loan Agreement to repay the Loan related to the Series 2022 Bonds. Each of the Loan Agreement and the Promissory Note requires the payment by the Institution of loan payments sufficient to provide for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on

the Bonds as the same become due. Copies of the Indenture, the Loan Agreement, the Promissory Note and the Mortgage hereinafter referred to are on file at the designated corporate trust office of the Trustee in New York, New York, and reference is made to such documents for the provisions relating, among other things, to the terms and security of the Bonds, the charging and collection of loan payments, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds, and the rights, duties and obligations of the Issuer, the Institution and the Trustee.

Pledge and Security. Pursuant to the Indenture, the Issuer has assigned to the Trustee all of its right, title and interest in and to the Promissory Note and substantially all of its right, title and interest in and to the Loan Agreement, including all rights to receive loan payments sufficient to pay the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest and all other amounts due on the Bonds as the same become due, to be made by the Institution pursuant to the Loan Agreement and the Promissory Note. The Series 2022 Bonds are also secured by mortgage liens on and security interests in the Institution's fee interest in the Series 2022 Facility (as defined in the Indenture) pursuant to a Mortgage and Security Agreement (Building Loan) and a Mortgage and Security Agreement (Indirect Loan), each dated as of June 1, 2022 (as each of the same may hereafter be amended or supplemented, collectively the "**Mortgage**"), and each from the Institution to the Trustee. The Series 2022 Bonds are also secured by the Series 2022 Collateral Mortgage (as defined in the Indenture).

The Bonds are special limited revenue obligations of the Issuer and shall never constitute a debt of the State of New York or of The City of New York, and neither the State of New York nor The City of New York shall be liable thereon, nor shall the Bonds be payable out of any funds of the Issuer other than those pledged therefor.

Reference is hereby made to the Indenture for the definition of any capitalized word or term used but not defined herein and for a description of the property pledged, assigned and otherwise available for the payment of the Bonds, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the holders of the Bonds, and the terms upon which the Bonds are issued and secured.

Additional Bonds. As provided in the Indenture, upon satisfying certain conditions including obtaining certain prescribed Bondholder Representative (or, if no Bondholder Representative exists, Bondholder) consents, a Series of Additional Bonds may be issued from time to time in one or more series for the purpose of financing the cost of completing the Project, providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, providing extensions, additions or improvements to the Facility, or refunding outstanding Bonds (to the extent that such Bonds shall be subject to earlier redemption). All bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, except as may otherwise be expressly provided in the Indenture.

General Interest Rate Limitation. Anything herein or in the Indenture to the contrary notwithstanding, the obligations of the Issuer hereunder and under the Indenture shall be subject to the limitation that payments of interest or other amounts hereon shall not be required to the extent that receipt of any such payment by a holder of this bond would be contrary to the provisions of law applicable to such holder of this bond which would limit the maximum rate of interest which may be charged or collected by such holder of this bond.

Redemption of Bonds.

(A) General Optional Redemption. The Series 2022 Bonds shall be subject to redemption, on or after December 1, 2032, in whole or in part at any time at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2022 Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

(B) Extraordinary Redemption.

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

(i) The Facility and/or Collateral Mortgaged Property shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility and/or Collateral Mortgaged Property cannot be reasonably restored within a period of one year from the date of such damage or destruction to the condition thereof immediately preceding such damage or destruction, (B) the Institution is thereby prevented or likely to be prevented from carrying on its normal operation at the Facility and/or Collateral Mortgaged Property for a period of one year from the date of such damage or destruction, or (C) the restoration cost of the Facility would exceed the total amount of all insurance proceeds, including any deductible amount, in respect of such damage or destruction; or

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

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

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

(C) Mandatory Sinking Fund Installment Redemption.

(i) The Series 2022 Bonds are subject to mandatory redemption by the Issuer prior to maturity, in part by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount thereof, together with accrued interest to the date of redemption, from mandatory Sinking Fund Installments on the dates and in the principal amounts set forth below, provided that the amounts of such Sinking Fund Installments shall be reduced by the credits provided for in the Indenture:

Sinking Fund Installment Payment Date (December 1)	Sinking Fund Installment	Sinking Fund Installment Payment Date (December 1)	Sinking Fund Installment
2024	$155,000	2039	$370,000
2025	150,000	2040	405,000
2026	170,000	2041	425,000
2027	180,000	2042	455,000
2028	190,000	2043	490,000
2029	185,000	2044	520,000
2030	215,000	2045	555,000
2031	215,000	2046	585,000
2032	240,000	2047	635,000
2033	255,000	2048	670,000
2034	275,000	2049	715,000
2035	305,000	2050	755,000
2036	305,000	2051	10,190,000
2037	340,000	2052*	10,855,000
2038	355,000		

*final maturity

If Series 2022 Bonds in an amount equal to the Authorized Principal Amount with respect thereto have not been issued on or before the Series 2022 Project Completion Date, then the Bondholder Representative shall revise the mandatory Sinking Fund Installment schedule set forth above, by reducing the Sinking Fund Installments, on a pro rata basis (rounded to the nearest Authorized Denomination), by the amount of the Series 2022 Bond proceeds not advanced under the Indenture. The revised Sinking Fund Installment schedule referred to above shall be calculated by the Bondholder Representative and such revised Sinking Fund Installment schedule must be accompanied by an opinion of Nationally Recognized Bond Counsel to the effect that the substitution of such schedule in lieu of the then existing schedule will not adversely affect the exclusion of interest on the Bonds for federal income tax purposes. The Bondholder Representative shall provide a copy of such calculation and opinion of Nationally Recognized Bond Counsel to the Trustee. Until the Trustee receives such calculation and opinion from the Bondholder Representative, it may consider the schedule as set forth above unchanged.

(D) Mandatory Redemption from Excess Proceeds and Certain Other Amounts. (i) The Series 2022 Bonds shall be redeemed at any time in whole or in part, by lot, prior to maturity in the event and to the extent excess Series 2022 Bond proceeds shall remain after the completion of the Series 2022 Project, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2022 Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(ii) The Bonds shall be redeemed at any time in whole or in part, and if in part on a pro rata basis, among all Bonds Outstanding, prior to maturity in the event and to the extent:

(1) excess title insurance or property insurance proceeds or condemnation awards shall remain after the application thereof pursuant to the Loan Agreement and the Indenture,

(2) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(3) certain funds received by the Institution pursuant to Section 11.4 of the Loan Agreement which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for completion of the Project or related Project Costs, except any Grant Proceeds, which shall be used by the Institution to redeem Bonds,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed, together with interest accrued thereon to the date of redemption.

(E) Mandatory Redemption Upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance. The Bonds are also subject to mandatory redemption prior to maturity, at the option of the Issuer, as a whole only, in the event (i) the Issuer shall determine that (w) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations, (x) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement, (y) any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (z) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, or (ii) the Institution shall fail to obtain or maintain the liability insurance with respect to the Facility required under the Loan Agreement, and, in the case of clause (i) or (ii) above, the Institution shall fail to cure any such default or failure within the applicable time periods set forth in the Loan Agreement following the receipt by the Institution of written notice of such default or failure from the Issuer and a demand by the Issuer on the Institution to cure the same. Any such redemption shall be made upon notice or waiver of notice to the Bondholders as provided in the Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

(F) Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2022 Bonds shall be redeemed prior to maturity on any date within one hundred twenty (120) days following such Determination of Taxability, at a Redemption Price equal to one hundred five percent (105%) of the principal amount thereof, together with unpaid accrued interest at the Taxable Rate from the occurrence of the Event of Taxability to the date of redemption. The Series 2022 Bonds shall be redeemed in whole unless redemption of a portion of the Series 2022 Bonds Outstanding would have the result that interest payable on the Series 2022 Bonds remaining Outstanding after such redemption would not be includable in the gross income of any holder of a Series 2022 Bond. In such event, the Series 2022 Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

Redemption Procedures. If any of the Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered holder of each Bond to be redeemed at the address shown on the registration books. All Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for

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

Amendment of Indenture. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the holders of the Bonds at any time by the Issuer with the consent of the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders). Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

Denominations. The Series 2022 Bonds are issuable in the form of fully registered bonds in the denomination of $100,000 or any integral multiple of $5,000 in excess thereof, provided, however, that if the Series 2022 Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination shall be $5,000 or any integral multiple thereof.

Exchange of Bonds. The holder of this bond may surrender the same, at the designated corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of any of the Authorized Denominations of the same maturity and maturities and interest rate as this bond or the Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

Transfer of Bonds. This bond is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Trustee by the registered holder hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered holder or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, and thereupon a new fully registered Bond in the same aggregate principal amount and maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name this bond is registered as the absolute holder hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, the Sinking Fund Installments therefor, and interest due hereon and for all other purposes whatsoever, and all payments made to any such registered holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon

such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer or the Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses shall be paid by the Institution but any such tax, fee or other governmental charge shall be paid by the holder requesting such transfer or exchange.

Special Agreement by Holder. Each holder of this bond, by the purchase and acceptance of this bond, is deemed to have represented and agreed as follows: (i) it is either a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) or an "accredited investor" (as defined in Regulation D under the Securities Act), and it has acquired this bond for its own account or for the account of a qualified institutional buyer or an accredited investor, and (ii) it understands and acknowledges that this bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer this bond, this bond may be offered, resold, pledged or transferred only in accordance with the transfer restrictions set forth in this bond and in the legend appearing hereon and only to a Person meeting the requirements set forth in the preceding clause; provided, however, that if the Series 2022 Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, this requirement shall no longer apply to the Series 2022 Bonds.

Book Entry System. The Bonds are being issued by means of a book entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or in the custody of its agent. The book entry system will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in Authorized Denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Issuer and the Trustee will recognize the Securities Depository nominee, while the registered holder of this bond, as the holder of this bond for all purposes, including (i) payments of principal of, Sinking Fund Installments for, if any, redemption premium, if any, and interest on, this bond, (ii) notices, and (iii) voting. Transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Beneficial Owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Issuer and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the holder of this bond, notwithstanding the provision hereinabove contained, payments of principal of, Sinking Fund Installments, if any, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Issuer, the Trustee and the Securities Depository.

Acceleration of Bonds. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds and Additional Bonds issued under the Indenture and then Outstanding may be declared and may become due and payable before the stated maturities thereof, together with accrued interest thereon.

Limitation on Bondholder Enforcement Rights. The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Special Obligation of the Issuer. This bond and the issue of which it forms a part are special limited revenue obligations of the Issuer, payable by the Issuer solely out of the loan payments, revenues or other receipts, funds or moneys of the Issuer pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Bonds.

Estoppel Clause. It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

No Personal Liability. Neither the members, directors, officers or agents of the Issuer nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

Authentication by Trustee. This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Build NYC Resource Corporation has caused this bond to be executed in its name by the manual or facsimile signature of its Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and its official seal or a facsimile thereof to be hereunto impressed or imprinted hereon and attested by the manual or facsimile signature of its Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, all as of the Bond Date indicated above.

BUILD NYC RESOURCE CORPORATION

By: _____
Authorized Signatory

(SEAL)

ATTEST:

_____
Authorized Signatory

CERTIFICATE OF AUTHENTICATION

This bond is one of the Series 2022 Bonds of the issue described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION
as Trustee

By: _____
Authorized Signatory

Date of Authentication: June 30, 2022

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer such bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED
MEDALLION GUARANTEED

_____
Authorized Signature
(Signature Guarantee Program Name)

[Signature Guarantee by (must be by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)**]**

[END OF FORM OF BOND]

EXHIBIT 2

FORM OF REQUISITION FROM THE SERIES 2022 BONDS PROJECT ACCOUNT OF THE PROJECT FUND

REQUISITION NO.

TO: U.S. Bank National Association, as Trustee

FROM: Richmond Medical Center d/b/a Richmond University Medical Center

Ladies and Gentlemen:

You are requested to draw from the Series 2022 Bonds Project Account of the Project Fund, established by Section 3.02 of the First Supplemental Indenture of Trust, dated as of June 1, 2022 (the "**First Supplemental Indenture**"), between Build NYC Resource Corporation (the "**Issuer**") and yourself, a check or checks or wire transfer, as applicable, in the amounts, payable to the order of those persons and for the purpose of paying those costs set forth on Schedule A attached hereto. All capitalized terms used in this Requisition not otherwise defined herein shall have the meanings given such terms in Appendix A to the Indenture of Trust, dated as of December 1, 2018, as amended and supplemented by the First Supplemental Indenture (collectively, the "**Indenture**") or by the Loan Agreement referred to in the Indenture.

I hereby certify that

(i) I am an Authorized Representative of Richmond Medical Center (the "**Institution**");

(ii) the number of this Requisition is ____;

(iii) the items of cost set forth on Schedule A attached hereto are correct and proper under Section 3.03 of the First Supplemental Indenture and under Section 3.02 of the First Loan Agreement Amendment and each such item has been properly paid or incurred as an item of Project Cost;

(iv) none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Series 2022 Bonds Project Account of the Project Fund;

(v) the payees and amounts stated in Schedule A attached hereto are true and correct and each item of cost so stated is due and owing;

(vi) each such item stated in Schedule A attached hereto is a proper charge against the Series 2022 Bonds Project Account of the Project Fund;

(vii) each such item in Schedule A attached hereto represents the value of work actually furnished, or labor or services actually rendered and no item relates to materials, that are not incorporated into the improvement or deposits toward same;

(viii) each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Certificate;

(ix) if the payment herein requested is a reimbursement to the Institution for costs or expenses of the Institution incurred by reason of work performed or supervised by officers or employees of the Institution or any Affiliate, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the Institution and such costs or expenses will be treated by the Institution on its books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis;

(x) no portion of the proceeds of the Series 2022 Bonds will be applied to reimburse the Institution for Project Costs related to the Series 2022 Bonds paid more than sixty (60) days prior to _____, 20____, the date the Institution adopted its reimbursement resolution for the Series 2022 Project, except for amounts which do not exceed twenty percent (20%) of the Project Costs financed with the proceeds of the Series 2022 Bonds which were applied to finance certain preliminary expenses with respect to the Series 2022 Project. Preliminary expenses, for purposes of this exception, include architectural, engineering, surveying, soil testing and similar costs incurred prior to the commencement of construction or rehabilitation of the Series 2022 Project, but do not include land acquisition, site preparation and similar costs incident to the commencement of construction or rehabilitation of the Series 2022 Project. No portion of the proceeds of the Series 2022 Bonds will be applied to reimburse the Institution for a cost (other than preliminary expenditures) paid more than eighteen (18) months prior to the date of this requisition or the date the Series 2022 Facility to which the cost relates was placed in service, whichever is later. In no event shall the proceeds of the Series 2022 Bonds be applied to reimburse the Institution for a Project Cost related to the Series 2022 Bonds paid more than three (3) years prior to the date of issuance of the Series 2022 Bonds, unless such cost is attributable to a preliminary expenditure, as described above;

(xi) no Determination of Taxability has occurred, and no Event of Default exists and is continuing under the Indenture or the Loan Agreement or any other Project Document nor any condition, event or act which, with notice or lapse of time or both, would constitute such an Event of Default;

(xii) I have no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment or, to the extent that any such costs shall be the subject of a bona fide dispute, for which such costs have not been appropriately bonded or for which a surety or security has not been posted which is at least equal to the amount of such costs;

(xiii) each item which payment under this requisition is to be made when added to all other payments previously made from the Series 2022 Bonds Project Account of the Project Fund, will not result in less than 95% of the proceeds of the Series 2022 Bonds (exclusive of costs of issuance of the Series 2022 Bonds or any reasonably required reserve) (including any earnings thereon) being used for the acquisition, construction, reconstruction or improvement of land or property that is subject to the allowance for depreciation provided in section 167 of the Code;

(xiv) such item of cost for which payment is herein requested is chargeable to the capital account of the Series 2022 Facility for federal income tax purposes, or would be so chargeable either with an election by the Institution or but for the election of the Institution to deduct the amount of such item; and

(xv) the representations and warranties made by the Institution in the Project Documents are correct on and as of the date of such disbursement as though made on and as of

such date, except to the extent that such representations and warranties relate solely to an earlier date.

Attached to this Requisition is a schedule of or a copy of bills, invoices or other documents evidencing and supporting this Requisition.

Dated: _____

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By: _____
Authorized Representative

APPROVED BY:

PRESTON HOLLOW CAPITAL, LLC,
as Bondholder Representative

By:_____
Name:
Title:

SCHEDULE A TO REQUISITION NO. ___

Amount	Payee (with address or wire information)	Purpose

Receipt is hereby acknowledged of a payment in the amount of $_____ in connection with the submission of the attached Requisition.

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By: _____
Authorized Representative

Date: _____

EXHIBIT 3

DESCRIPTION OF THE FACILITY REALTY

(*To be attached*)

EXHIBIT 4

DESCRIPTION OF THE SERIES 2022 FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation and/or use at the Series 2022 Facility financed with the proceeds of the Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022.

[THIS PAGE INTENTIONALLY LEFT BLANK]

LOAN AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

LOAN AGREEMENT

Dated as of December 1, 2018

by and between

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

And

RICHMOND MEDICAL CENTER (D/B/A/ RICHMOND UNIVERSITY MEDICAL CENTER),
a not-for-profit corporation, organized and existing under the laws of the State of New York, having its principal office at 355 Bard Avenue, Staten Island, New York 10310,
as, "**Institution**"

Up to $102,065,000
Build NYC Resource Corporation
Tax- Exempt Revenue Bonds
(Richmond Medical Center Project), Series 2018A

and

Up to $30,000,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds
(Richmond Medical Center Project), Series 2018B

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS AND CONSTRUCTION 2

Section 1.1 Definitions 2
Section 1.2 Construction 2

ARTICLE II REPRESENTATIONS AND WARRANTIES 3

Section 2.1 Representations and Warranties by Issuer 3
Section 2.2 Representations and Warranties by the Institution 4

ARTICLE III THE PROJECT; MAINTENANCE; REMOVAL OF PROPERTY AND TITLE INSURANCE 7

Section 3.1 Agreement to Undertake Project 7
Section 3.2 Manner of Project Completion 7
Section 3.3 Maintenance 9
Section 3.4 Alterations and Improvements 9
Section 3.5 Removal of Property of the Facility 10
Section 3.6 Implementation of Additional Improvements and Removals 11
Section 3.7 Title Insurance 11
Section 3.8 No Warranty of Condition or Suitability 11

ARTICLE IV LOAN; PAYMENT PROVISIONS 12

Section 4.1 Loan of Proceeds 12
Section 4.2 Promissory Note 12
Section 4.3 Loan Payments; Pledge of this Agreement and of the Promissory Note 12
Section 4.4 Loan Payments and Other Payments Payable Absolutely Net 15
Section 4.5 Nature of Institution's Obligation Unconditional 16
Section 4.6 Advances by the Issuer, the Trustee or the Bondholder Representative 16
Section 4.7 Pledge of Gross Revenues 16

ARTICLE V RESERVED 17

ARTICLE VI DAMAGE, DESTRUCTION AND CONDEMNATION 17

Section 6.1 Damage, Destruction and Condemnation 17
Section 6.2 Loss Proceeds 17
Section 6.3 Election to Rebuild or Terminate 17
Section 6.4 Effect of Election to Build 18

ARTICLE VII COVENANTS OF THE ISSUER 20

Section 7.1 Assignment of Promissory Note 20
Section 7.2 Issuance of Initial Bonds 20
Section 7.3 Issuance of Additional Bonds 20
Section 7.4 Pledge and Assignment to Trustee 20

ARTICLE VIII COVENANTS OF THE INSTITUTION 20

Section 8.1 Insurance 20
Section 8.2 Indemnity 26
Section 8.3 Compensation and Expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agent; Administrative and Project Fees 28
Section 8.4 Current Facility Personalty Description 28
Section 8.5 Signage at Facility Site 29
Section 8.6 Environmental Matters 29

TABLE OF CONTENTS
(continued)

Page

Section 8.7 Employment Matters 30
Section 8.8 Non-Discrimination 31
Section 8.9 Assignment of this Agreement or Lease of Facility 31
Section 8.10 Retention of Title to or of Interest in Facility; Grant of Easements; Release of Portions of Facility 35
Section 8.11 Discharge of Liens 35
Section 8.12 Filing 36
Section 8.13 No Further Liens Permitted 38
Section 8.14 Documents Automatically Deliverable to the Issuer 38
Section 8.15 Requested Documents 39
Section 8.16 Periodic Reporting Information for the Issuer 40
Section 8.17 Taxes, Assessments and Charges 41
Section 8.18 Compliance with Legal Requirements 42
Section 8.19 Operation as Approved Facility 42
Section 8.20 Restrictions on Dissolution, Sale and Merger 43
Section 8.21 Preservation of Exempt Status 45
Section 8.22 Securities Law Status 45
Section 8.23 Further Assurances 45
Section 8.24 Tax Certificate 45
Section 8.25 Compliance with the Indenture 46
Section 8.26 Reporting Information for the Trustee 46
Section 8.27 Continuing Disclosure 47
Section 8.28 Bondholder Representative Expenses 47
Section 8.29 HireNYC Program 48
Section 8.30 Living Wage 48
Section 8.31 Limitations on Additional Indebtedness 54
Section 8.32 Debt Service Coverage Ratio 56
Section 8.33 Days Cash on Hand 56
Section 8.34 Incorporation of Additional Collateral and Covenants 57
Section 8.35 Deposit Account Control Agreement 57
Section 8.36 Bond Rating 57
Section 8.37 Surety Bonds 58
Section 8.38 Quarterly Conference Calls 58
Section 8.39 Meetings of the Board of Trustees 58
Section 8.40 Additional Mortgage Liens and Related Matters 58
Section 8.41 Construction Disbursement and Monitoring Agreement 58
Section 8.42 Guaranteed Maximum Price Contract and Certificate of Need 58
Section 8.43 Additional Title Matters 59

ARTICLE IX REMEDIES AND EVENTS OF DEFAULT 59

Section 9.1 Events of Default 59
Section 9.2 Remedies on Default 61
Section 9.3 Bankruptcy Proceedings 61
Section 9.4 Remedies Cumulative 62
Section 9.5 No Additional Waiver Implied by One Waiver 62
Section 9.6 Effect on Discontinuance of Proceedings 62
Section 9.7 Agreement to Pay Fees and Expenses of Attorneys and Other Consultants 62
Section 9.8 Certain Continuing Representations 62
Section 9.9 Late Delivery Fees 63

TABLE OF CONTENTS
(continued)

Page

ARTICLE X TERMINATION OF THIS AGREEMENT 63

Section 10.1 Termination of this Agreement 63
Section 10.2 Actions on Termination 64
Section 10.3 Survival of Institution Obligations 65

ARTICLE XI CERTAIN PROVISIONS RELATING TO THE BONDS 65

Section 11.1 Issuance of Additional Bonds 65
Section 11.2 Determination of Taxability 65
Section 11.3 Mandatory Redemption of Bonds as Directed by the Issuer 65
Section 11.4 Mandatory Redemption As a Result of Project Gifts or Grants 66
Section 11.5 Right to Cure Issuer Defaults 67
Section 11.6 Prohibition on the Purchase of Bonds 67
Section 11.7 Investment of Funds 67

ARTICLE XII MISCELLANEOUS 67

Section 12.1 Force Majeure. 67
Section 12.2 Pledge under Indenture 68
Section 12.3 Amendments 68
Section 12.4 Service of Process 68
Section 12.5 Notices 69
Section 12.6 Consent to Jurisdiction 70
Section 12.7 Prior Agreements Superseded 71
Section 12.8 Severability 71
Section 12.9 Effective Date; Counterparts 71
Section 12.10 Binding Effect 71
Section 12.11 Third Party Beneficiaries 71
Section 12.12 Law Governing 72
Section 12.13 Waiver of Trial by Jury 72
Section 12.14 Recourse Under This Agreement 72
Section 12.15 Legal Counsel; Mutual Drafting 72
Section 12.16 Control by Bondholder Representative. 72

EXHIBITS

Appendix A	-	Definitions of Certain Terms in the Indenture and the Loan Agreement
Exhibit A	-	Description of the Facility Realty
Exhibit B	-	Description of the Facility Personalty
Exhibit C	-	Authorized Representative of Institution
Exhibit D	-	Principals of Institution
Exhibit E	-	Project Cost Budget
Exhibit F	-	Form of Required Disclosure Statement
Exhibit G	-	Form of Project Completion Certificate
Exhibit H	-	Form of Promissory Note
Exhibit I	-	HireNYC
Exhibit J	-	Form of LW Agreement
Exhibit K	-	Form of Architect or Engineer Certificate
Exhibit L	-	Form of Construction Manager or Contractor Certificate
Exhibit M	-	Form of Construction Disbursement and Monitoring Agreement
Exhibit N	-	Form of Individual Project Work Completion Certificate
Exhibit O	-	Institution's Existing Indebtedness
Exhibit P	-	Form of Environmental Indemnity Agreement

LOAN AGREEMENT

This **LOAN AGREEMENT**, dated as of December 1, 2018 (this "**Agreement**"), is by and between **BUILD NYC RESOURCE CORPORATION**, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038 (the "**Issuer**"), party of the first part, and **RICHMOND MEDICAL CENTER (D/B/A/ RICHMOND UNIVERSITY MEDICAL CENTER)**, a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), organized and existing under the laws of the State of New York, having its principal office at 241 Water Street, New York, New York 10038 (the "**Institution**"), party of the second part (capitalized terms used herein shall have the respective meanings assigned to such terms throughout this Agreement).

WITNESSETH:

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

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

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

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

WHEREAS, as a result of such negotiations, the Institution has requested the Issuer to issue its bonds to finance a portion of the costs of the Project; and

WHEREAS, the Issuer adopted the Bond Resolution authorizing the Project and the issuance of its revenue bonds to finance a portion of the costs of the Project, and

WHEREAS, to facilitate the Project and the issuance by the Issuer of its revenue bonds to finance a portion of the costs of the Project, the Issuer and the Institution have entered into negotiations pursuant to which (i) the Issuer will make the Loan of the proceeds of the Initial Bonds, in the original aggregate principal amount of the Initial Bonds, to the Institution pursuant to this Agreement, and (ii) the Institution will execute the Promissory Note in favor of the Issuer to evidence the Institution's obligation under this Agreement to repay the Loan, and the Issuer will endorse the Promissory Note to the Trustee; and

WHEREAS, to provide funds for a portion of the costs of the Project and for incidental and related costs and to provide funds to pay the costs and expenses of the issuance of the Initial Bonds, the Issuer has authorized the issuance of the Initial Bonds in the Authorized Principal Amount pursuant to the Bond Resolution and the Indenture; and

WHEREAS, concurrently with the execution hereof, in order to further secure the Initial Bonds, the Institution will grant mortgage liens on and security interests in its fee and leasehold interest in the Mortgage Property to the Trustee pursuant to the Mortgage.

NOW, THEREFORE, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.1 **Definitions**. Capitalized terms shall have the respective meanings specified in Appendix A hereto.

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 vicè versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) Unless the context indicates otherwise, references to designated "Exhibits", "Articles", "Sections", "Subsections", "clauses" and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this Agreement

(f) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(h) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein or herein).

(i) Any reference to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 **Representations and Warranties by Issuer.** The Issuer makes the following representations and warranties:

(a) The Issuer is a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and is duly organized and validly existing under the laws of the State.

(b) Assuming the accuracy of representations made by the Institution, the Issuer is authorized and empowered to enter into the transactions contemplated by this Agreement and any other Project Documents to which the Issuer is a party and to carry out its obligations hereunder and thereunder and to issue and sell the Initial Bonds.

(c) By proper action of its board of directors, the Issuer has duly authorized the execution and delivery of this Agreement and each of the other Project Documents to which the Issuer is a party.

(d) In order to finance a portion of the cost of the Project, the Issuer proposes to issue the Initial Bonds in the Authorized Principal Amount. The Initial Bonds will mature, bear interest, be redeemable and have the other terms and provisions set forth in the Indenture.

(e) The Issuer is that not-for-profit local development corporation formed and existing on behalf of the City to act as a governmental issuer of tax-exempt and taxable bonds and notes for the purpose of providing financial assistance to not-for-profit institutions and manufacturing and industrial companies and other businesses.

(f) The Issuer has all requisite power, authority and legal right to execute and deliver the Project Documents to which it is a party and all other instruments and documents to be executed and delivered by the Issuer pursuant hereto and thereto and to perform its obligations under the Project Documents and all such other instruments and documents to which it is a party. All corporate action on the part of the Issuer which is required for the execution, delivery, performance and observance by the Issuer of the Project Documents and all such other instruments and documents to which it is a party has been duly authorized and effectively taken, and such execution, delivery, performance and observance by

the Issuer do not contravene the Issuer's Organizational Documents or any applicable Legal Requirements or any contractual restriction binding on or affecting the Issuer.

(g) There is no action or proceeding before any court, governmental agency or arbitrator pending or, to the knowledge of the Issuer, threatened against the Issuer, which seeks (i) to restrain or enjoin the issuance or delivery of the Initial Bonds, the pledge and grant of the Trust Estate or the collection of any revenues pledged under the Indenture, (ii) to contest or affect in any way the authority for the issuance of the Initial Bonds or the validity of any of the Project Documents, or (iii) to contest in any way the existence or powers of the Issuer.

Section 2.2 **Representations and Warranties by the Institution.** The Institution makes the following representations and warranties:

(a) The Institution is a not-for-profit corporation, organized under the laws of the State, is validly existing, is duly qualified to do business and in good standing under the laws of the State, is not in violation of any provision of its Organizational Documents, has the requisite power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Agreement and each other Project Document to which it is or shall be a party.

(b) This Agreement and the other Project Documents to which the Institution is a party (x) have been duly authorized by all necessary action on the part of the Institution, (y) have been duly executed and delivered by the Institution, and (z) constitute the legal, valid and binding obligations of the Institution, enforceable against the Institution in accordance with their respective terms.

(c) The execution, delivery and performance of this Agreement and each other Project Document to which the Institution is or shall be a party and the consummation of the transactions herein and therein contemplated will not (x) violate any provision of law, any order of any court or agency of government, or any of the Organizational Documents of the Institution or any indenture, agreement or other instrument to which the Institution is a party or by which the Institution or any of their respective property is bound or to which the Institution or any of their respective property is subject, (y) be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or (z) result in the imposition of any Lien of any nature whatsoever other than Permitted Encumbrances.

(d) There is no action or proceeding pending or, to the best of the Institution's knowledge, after diligent inquiry, threatened, by or against the Institution by or before any court or administrative agency that would adversely affect the ability of the Institution to perform its obligations under this Agreement or any other Project Document to which the Institution is or shall be a party.

(e) The financial assistance provided by the Issuer to the Institution as contemplated by this Agreement is necessary to induce the Institution to proceed with the Project.

(f) Undertaking the Project is anticipated to serve the corporate public purposes of the Issuer by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State.

(g) The Facility will be the Approved Facility.

(h) Except as permitted by Section 8.9, no Person other than the Institution is or will be in use, occupancy or possession of any portion of the Facility.

(i) The Institution has obtained all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by it as of the Closing Date in connection with the execution and delivery of this Agreement and each other Project Document to which it shall be a party or in connection with the performance of its obligations hereunder and under each of the Project Documents, except such permits which will be issued for construction in due course.

(j) The Project will be designed, and the operation of the Facility will be, in compliance with all applicable Legal Requirements.

(k) The Institution is in compliance, and will continue to comply, with all applicable Legal Requirements relating to the Project, the Project Work, any future renovation or equipping of the Facility and the operation of the Facility.

(l) The Institution has delivered to the Issuer a true, correct and complete copy of the Environmental Audit.

(m) The Institution has not used Hazardous Materials on, from, or affecting the Facility in any manner that violates any applicable Legal Requirements governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and except as set forth in the Environmental Audit, to the best of the Institution's knowledge, no prior owner or occupant of the Facility has used Hazardous Materials on, from, or affecting the Facility in any manner that violates any applicable Legal Requirements.

(n) The Project Cost Budget attached as Exhibit E — "Project Cost Budget" represents a true, correct and complete budget as of the Closing Date of the proposed costs of the Project; the Estimated Project Cost is a fair and accurate estimate of the Project Cost as of the Closing Date. Expenses for supervision by the officers or employees of the Institution and expenses for work done by such officers or employees in connection with the Project will be included as a Project Cost only to the extent that such Persons were specifically employed for such particular purpose, the expenses do not exceed the actual cost thereof and are to be treated on the books of the Institution as a capital expenditure in conformity with GAAP. Any costs incurred with respect to that part of the Project paid from the proceeds of the sale of the Initial Bonds shall be treated on the books of the Institution as capital expenditures in conformity with GAAP.

(o) The total cost of the Project Work being funded with the Initial Bonds is not less than the Authorized Principal Amount. That portion of the Estimated Project Cost as shall not derive from the proceeds of the Initial Bonds shall be provided from the proceeds of additional loans and other funds of the Institution. The amounts provided to the Institution from the proceeds of the Initial Bonds, together with other moneys available to the Institution, are sufficient to pay all costs in connection with the completion of the Project.

(p) The Facility comprises two (2) complete tax lots and no portion of any single tax lot.

(q) The Fiscal Year is true and correct.

(r) None of the Institution, the Principals of the Institution, or any Person that is an Affiliate of the Institution:

(1) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the NYCIDA, the NYCEDC or the City, unless such default or breach has been waived in writing by the Issuer, the NYCIDA, the NYCEDC or the City, as the case may be;

(2) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five (5) years;

(3) has been convicted of a felony in the past ten (10) years;

(4) has received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; or

(5) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is currently being contested with due diligence in proceedings in court or other appropriate forum.

(s) The Project Application Information was true, correct and complete as of the date submitted to the Issuer, and no event has occurred or failed to occur since such date of submission which would cause any of the Project Application Information to include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make such statements not misleading.

(t) The Principals of the Institution their respective titles to the Institution, as set forth in Exhibit D — "Principals of the Institution", are true, correct and complete.

(u) The representations, warranties, covenants and statements of expectation of the Institution set forth in the Tax Certificate are by this reference incorporated in this Agreement as though fully set forth herein.

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

(w) No part of the proceeds of the Initial Bonds will be used to finance inventory or will be used for working capital, or will be used for any other property not constituting part of the Facility.

(x) The Institution has fee or leasehold title in the Facility, as applicable, and has no present intention to sell, directly or indirectly, in whole or in part, its interest in the Facility.

(y) The Institution is in compliance with the provisions of the Code and any applicable regulations thereunder necessary to maintain its exempt status under Section 501(a) of the Code

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

(aa) The Institution is an organization described in Section 501(c)(3) of the Code and has received the IRS Determination Letter. The facts and circumstances which form the basis of the IRS Determination Letter continue substantially to exist as represented to the Internal Revenue Service. The IRS Determination Letter has not been modified, limited or revoked, and the Institution is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of the IRS Determination Letter.

(bb) The Institution is not a "private foundation", as defined in Section 509 of the Code.

ARTICLE III

THE PROJECT; MAINTENANCE; REMOVAL OF PROPERTY AND TITLE INSURANCE

Section 3.1 **Agreement to Undertake Project.**

The Institution covenants and agrees to undertake and complete the Project Work in accordance with this Agreement, including, without limitation:

(i) effecting the Project Work,

(ii) making, executing, acknowledging and delivering any contracts, orders, receipts, writings and instructions with any other Persons, and in general doing all things which may be requisite or proper, all for the purposes of undertaking the Project Work,

(iii) paying all fees, costs and expenses incurred in the Project Work from funds made available therefor in accordance with or as contemplated by this Agreement and the Indenture, and

(iv) asking, demanding, suing for, levying, recovering and receiving all such sums of money, debts due and other demands whatsoever that may be due, owing and payable to the Institution under the terms of any contract, order, receipt or writing in connection with the Project Work and to enforce the provisions of any contract, agreement, obligation, bond or other performance security entered into or obtained in connection with the Project Work.

Section 3.2 **Manner of Project Completion.**

(a) The Institution will complete the Project Work, or cause the Project Work to be completed, by the Completion Deadline, in a first class workmanlike manner, free of defects in materials and workmanship (including latent defects); provided, however, the Institution may revise the scope of the Project Work, subject to the prior written consents of the Issuer and the Trustee (given at the direction of the Bondholder Representative) (which consents shall not be unreasonably withheld, delayed or conditioned).

(b) In undertaking the Project Work, the Institution shall take such action and institute such proceedings as shall be necessary to cause and require all contractors, manufacturers and suppliers to complete their agreements relating to the Project Work in accordance with the terms of the contracts therefor including the correction of any defective work. Upon request, the Institution will extend to the Issuer or the Trustee all vendors' warranties received by the Institution in connection with

the Project, including any warranties given by contractors, manufacturers or service organizations who perform Project Work.

(c) Project Costs shall be paid from the Project Fund or other funds provided by the Institution including grant funds and donations. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the Project in full, the Institution shall pay that portion of such costs of the Project as may be in excess of the moneys therefor in the Project Fund and shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds (except from the proceeds of Additional Bonds which may be issued for that purpose), nor shall the Institution be entitled to any diminution of the loan payments payable or other payments to be made under this Agreement, under the Promissory Note or under any other Project Document. All expenses incurred by the Institution or the Issuer in connection with the performance of its obligations under this Section 3.2(c) shall be considered a Project Cost. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery, if recovered prior to the Project Completion Date, 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, first, in the Redemption Account of the Bond Fund.

(d) The Institution shall pay all costs, charges, fees, expenses or claims incurred in connection with the Project Work.

(e) The Institution will perform or cause to be performed the Project Work in accordance with all applicable Legal Requirements and with the conditions and requirements of all policies of insurance with respect to the Facility and the Project Work. Promptly upon finishing of the Project Work, the Institution will obtain or cause to be obtained all required permits, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy, operation and use of the Facility as an Approved Facility and shall furnish copies of same to the Trustee immediately upon the receipt thereof and to the Issuer and the Bondholder Representative immediately upon demand therefor.

(f) Upon completion of the last Project Work, the Institution shall (y) deliver to the Issuer and the Bondholder Representative the Final Project Cost Budget, which budget will include a comparison with the Project Cost Budget, and indicate the source of funds (i.e., Bond proceeds, equity, etc.) for each cost item, and (z) evidence the completion of the Project and the occurrence of the Project Completion Date by delivering to the Issuer, the Trustee and the Bondholder Representative a certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate", together with all attachments required thereunder. To the extent that the Institution delivers a temporary certificate of occupancy with the certificate described in the immediately preceding sentence, the Institution shall deliver a permanent certificate of occupancy within two hundred seventy (270) days after the delivery of such temporary certificate of occupancy.

(g) Upon request by the Issuer, the Trustee or the Bondholder Representative, the Institution shall make available to the Issuer, the Trustee and the Bondholder Representative copies of any bills, invoices or other evidences of costs as shall have been incurred in the effectuation of the Project Work

(h) In the event that the aggregate costs of the Project Work upon the completion thereof shall be significantly different from the estimated costs thereof set forth in the Project Cost Budget (i.e., more than a ten percent (10%) difference in either total Project costs or in major categories of Project Work cost), on request of the Issuer or the Bondholder Representative, the Institution shall provide evidence to the reasonable satisfaction of the Issuer as to the reason for such discrepancy, and that

the scope of the Project Work as originally approved by the Issuer has not been modified in a material manner without the prior written consent of the Issuer.

(i) The Institution covenants that it (i) shall deliver or cause to be delivered to the Issuer forty-five (45) days prior to the commencement of each Project Work an executed original certificate from the Institution's construction manager or contractor in substantially the form attached hereto as Exhibit L – "Form of Construction Manager or Contractor Certificate", and (ii) shall deliver or cause to be delivered to the Issuer forty-five (45) days prior to the commencement of the Cogeneration Facility Project Work, the Emergency Department Project Work and the Parking Lot Project Work an executed original certificate from the Institution's architect or engineer in substantially the form attached hereto as Exhibit K – "Form of Architect's or Engineer's Certificate".

(j) Upon completion of a Project Work, the Institution shall deliver to the Issuer a certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit N – "Form of Individual Project Work Completion Certificate", together with all attachments required thereunder.

Section 3.3 **Maintenance.** (a) During the term of this Agreement, the Institution will:

(i) keep the Facility in good and safe operating order and condition, ordinary wear and tear excepted,

(ii) occupy, use and operate the Facility, or cause the Facility to be occupied, used and operated, as the Approved Facility, and

(iii) make or cause to be made all replacements, renewals and repairs thereto (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen) necessary to ensure that (x) the interest on the Bonds shall not cease to be excludable from gross income for federal income tax purposes, (y) the operations of the Institution at the Facility shall not be materially impaired or diminished in any way, and (z) the security for the Bonds shall not be materially impaired.

(b) All replacements, renewals and repairs shall be similar in quality and class to the original work and be made and installed in compliance with all applicable Legal Requirements.

(c) The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of the Facility, to effect the replacement of any inadequate, obsolete, worn out or unsuitable parts of the Facility, or to furnish any utilities or services for the Facility, and the Institution hereby agrees to assume full responsibility therefor.

Section 3.4 **Alterations and Improvements.**

(a) The Institution shall have the privilege of making such alterations of or additions to the Facility Realty ("**Additional Improvements**") or any part thereof from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that.

(i) as a result of the Additional Improvements, the fair market value of the Facility is not reduced below its fair market value immediately before the Additional Improvements are made and the usefulness, structural integrity or operating efficiency of the Facility is not materially impaired.

(ii) the Additional Improvements are effected with due diligence, in a good and workmanlike manner and in compliance with all applicable Legal Requirements,

(iii) the Additional Improvements are promptly (subject to any good faith dispute) and fully paid for by the Institution in accordance with the terms of the applicable contract(s) therefor, and

(iv) the Additional Improvements do not change the nature of the Facility so that it would not constitute the Approved Facility.

(b) All Additional Improvements shall constitute a part of the Facility, subject to this Agreement and the Mortgage.

(c) In addition to the Facility Personalty, the Institution shall have the right to install or permit to be installed at the Facility Realty, machinery, equipment and other personal property at the Institution's own cost and expense (the "**Institution's Property**"). Once so installed, the Institution's Property shall not constitute part of the Facility Personalty and shall not be subject to this Agreement, nor constitute part of the Facility, provided that the same is not made fixtures appurtenant to the Facility Realty; provided, however, that such Institution's Property shall be subject to the lien of the Mortgage.

Section 3.5 **Removal of Property of the Facility**.

(a) With the prior approval of the Bondholder Representative, the Institution shall have the right from time to time to remove from that property constituting part of the Facility any fixture constituting part of the Facility Realty or any machinery, equipment or other item of personal property constituting part of the Facility Personalty (in any such case, the "**Existing Facility Property**") and thereby removing such Existing Facility Property from that property constituting part of the Facility and the Lien of the Mortgage, provided, however:

(i) such Existing Facility Property is substituted or replaced by property (y) having equal or greater fair market value, operating efficiency and utility and (z) free of all Liens other than Permitted Encumbrances, or

(ii) if such Existing Facility Property is not to be substituted or replaced by other property but is instead to be sold, scrapped, traded-in or otherwise disposed of in an arms'-length bona fide transaction for consideration, the Institution shall pay to the Trustee for deposit, the Redemption Account of the Bond Fund and thereby cause a redemption of such Series of the Bonds as directed by the Institution to be effected in an amount (to the nearest integral multiple of Authorized Denomination) equal to the amounts derived from such sale or scrapping, the trade-in value credit received or the proceeds received from such other disposition; provided that no such redemption shall be required when such amount received in connection with any removal or series of removals does not exceed, in the aggregate, $250,000.

No such removal set forth in paragraph (i) or (ii) above shall be effected if (v) such removal would cause the interest on the Bonds to cease to be excludable from gross income for federal income tax purposes, (w) such removal would change the nature of the Facility as the Approved Facility, (x) such removal would materially impair the usefulness, structural integrity or operating efficiency of the Facility, (y) such removal would materially reduce the fair market value of the Facility below its fair market value immediately before such removal (except by the amount by which the Bonds are to be redeemed as provided in paragraph (ii) above), or (z) there shall exist and be continuing an Event of Default hereunder. Any amounts received pursuant to paragraph (ii) above in connection with any removal or series of

removals, which are not in excess of $250,000, shall be retained by the Institution but shall constitute Gross Revenues.

(b) The removal from the Facility of any Existing Facility Property pursuant to the provisions of Section 3.5(a) shall not entitle the Institution to any abatement or reduction in the loan payments and other amounts payable by the Institution under this Agreement, under the Promissory Note or under any other Project Document.

Section 3.6 **Implementation of Additional Improvements and Removals**.

(a) In the event of any Additional Improvements or substitution or replacement of property pursuant to Section 3.4 or 3.5, the Institution shall deliver or cause to be delivered to the Issuer and the Trustee any necessary documents in order to subject such Additional Improvements or substitute or replacement property to the Lien of the Mortgage (in each case to the extent such Additional Improvements or substitute or replacement property relates to the Mortgaged Property) and to cause all of same to be made part of the Facility.

(b) The Institution agrees to pay all costs and expenses (including reasonable counsel fees) in subjecting, in accordance with Section 3.4, Additional Improvements to, or releasing, in accordance with Section 3.5, Existing Facility Property from the Lien of the Mortgage.

(c) The Institution agrees, upon request of the Issuer, the Bondholder Representative or the Trustee, to furnish to the Issuer, the Bondholder Representative and the Trustee with a certificate of an Authorized Representative of the Institution indicating whether or not the Institution has taken any action to (i) effect Additional Improvements in compliance with Section 3.4 and (ii) effect the removal of Existing Facility Property in compliance with Section 3.5(a), pursuant to Sections 8.15(d) and (e), respectively.

Section 3.7 **Title Insurance.** On or prior to the Closing Date, the Institution will obtain and deliver (w) to the Issuer and the Bondholder Representative a title report (in form and substance acceptable to the Issuer) reflecting all matters of record with respect to the Mortgaged Property, (x) to the Issuer and the Bondholder Representative a full set of municipal department search results showing only Permitted Encumbrances, (y) to the Trustee a mortgagee title insurance policy in an amount not less than the Authorized Principal Amount of the Initial Bonds, insuring the Trustee's interest under the Mortgage as a holder of a mortgage lien on the Mortgaged Property, subject only to Permitted Encumbrances, and (z) to the Issuer, the Trustee and the Bondholder Representative a current or updated survey of the Mortgaged Property, certified to the Trustee, the Issuer and the title company issuing such title insurance policy. The title insurance policy shall be subject only to Permitted Encumbrances and shall provide for, among other things, the following: (1) full coverage against mechanics' liens; (2) no exceptions other than those approved by the Trustee and the Bondholder Representative; (3) an undertaking by the title insurer to provide the notice of title continuation or endorsement; and (4) such other matters as the Trustee shall request. Any proceeds of such mortgagee title insurance shall be paid to the Trustee for deposit in the Renewal Fund and applied to remedy the applicable defect in title in respect of which such proceeds shall be derived (including the reimbursement to the Institution for any costs incurred by the Institution in remedying such defect in title). If not so capable of being applied or if a balance remains after such application, the amounts in the Renewal Fund shall be transferred by the Trustee, to the Redemption Account of the Bond Fund, and used to redeem an equivalent principal amount of the Initial Bonds to the nearest integral multiple of Authorized Denominations as directed by the Institution.

Section 3.8 **No Warranty of Condition or Suitability**. THE ISSUER HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR

IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE FACILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE FACILITY, OR THE SUITABILITY OF THE FACILITY FOR THE PURPOSES OR NEEDS OF THE INSTITUTION OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE BONDS WILL BE SUFFICIENT TO PAY THE COST OF COMPLETION OF THE PROJECT. THE INSTITUTION ACKNOWLEDGES THAT THE ISSUER IS NOT THE MANUFACTURER OF THE FACILITY PERSONALTY NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN. THE INSTITUTION IS SATISFIED THAT THE FACILITY IS SUITABLE AND FIT FOR PURPOSES OF THE INSTITUTION. THE ISSUER SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE INSTITUTION OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF THE FACILITY OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

ARTICLE IV

LOAN; PAYMENT PROVISIONS

Section 4.1 **Loan of Proceeds.** The Issuer agrees, upon the terms and conditions contained in this Agreement and the Indenture, to loan the proceeds from the sale of the Initial Bonds to the Institution (the "**Loan**"). The Loan shall be made by depositing on the Closing Date and on each Draw-Down Date thereafter the proceeds from the sale of the Initial Bonds into the Project Fund in accordance with Section 4.01 of the Indenture. Such proceeds shall be disbursed to or on behalf of the Institution as provided in Section 3.2(c) and Section 5.02 of the Indenture.

Section 4.2 **Promissory Note.** The Institution's obligation to repay the Loan shall be evidenced by this Agreement and the Promissory Note. On the Closing Date, the Institution shall execute and deliver the Promissory Note payable to the Issuer, and the Issuer will endorse the Promissory Note to the Trustee. The Institution acknowledges that the original principal amount payable under the Promissory Note may be more or less than the original principal amount of the Loan as a result of the Initial Bonds being draw-down bonds or if the Initial Bonds are sold at a discount or at a premium, respectively, and agrees that repayment of the Loan and the Promissory Note will be made in accordance with Section 4.3.

Section 4.3 **Loan Payments; Pledge of this Agreement and of the Promissory Note.**

(a) The Institution covenants to pay the Promissory Note and repay the Loan made pursuant to this Agreement by making loan payments which the Issuer agrees shall be paid in immediately available funds by the Institution directly to the Trustee on each Loan Payment Date (except as provided in Section 4.3(a)(ii), (iv), (v) and (vi) below which shall be paid on the respective due dates thereof) for deposit in the Bond Fund (except to the extent that amounts are on deposit in the Bond Fund and available therefor) in an amount equal to the sum of:

(i) with respect to interest due and payable on the Bonds, an amount equal to the quotient obtained by dividing the amount of interest on the Bonds Outstanding payable on the first Interest Payment Date (after taking into account any amount on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Bonds on the first

Interest Payment Date) by the number of Loan Payment Dates between the Closing Date and the first Interest Payment Date, and thereafter in an amount equal to one-sixth (1/6) of the amount of interest which will become due and payable on the Bonds on the next succeeding Interest Payment Date (after taking into account any amounts on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Bonds on such next succeeding Interest Payment Date); provided that in any event the aggregate amount so paid with respect to interest on the Bonds on or before the Loan Payment Date immediately preceding an Interest Payment Date shall be an amount sufficient to pay the interest next becoming due on the Bonds on such immediately succeeding Interest Payment Date; and

(ii) with respect to principal due on the Bonds (other than such principal amount as shall become due as a mandatory Sinking Fund Installment payment), commencing on that Loan Payment Date as shall precede the first principal payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-twelfth (1/12) of the amount of the principal of the Bonds Outstanding becoming due (other than by reason of mandatory Sinking Fund Installments) within the next succeeding thirteen (13) month period (or, if the first principal payment date following the Closing Date shall be on a date sooner than thirteen (13) calendar months following the Closing Date, then, with respect to such first principal amount, an amount equal to the quotient obtained by dividing such principal amount by the number of Loan Payment Dates between the Closing Date and such first principal payment date), and thereafter for each principal payment date commencing on that Loan Payment Date as shall precede such principal payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-twelfth (1/12) of the amount of the principal of the Bonds Outstanding becoming due (other than by reason of mandatory Sinking Fund Installments) within such next succeeding thirteen (13) month period; provided that in any event the aggregate amount so paid with respect to principal on the Bonds on or before the Loan Payment Date immediately preceding a principal payment date of the Initial Bonds shall be an amount sufficient to pay the principal of the Bonds Outstanding becoming due on such next succeeding principal payment date of the Initial Bonds; provided further that in the event of the acceleration of the principal of the Bonds, a loan payment in the amount of the principal amount of the Bonds Outstanding (together with all interest accrued thereon to the date of payment), shall be due and payable on such date of acceleration;

(iii) with respect to Sinking Fund Installment payments due on the Bonds, commencing on that Loan Payment Date as shall precede the first Sinking Fund Installment payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-twelfth (1/12) of the amount of the Sinking Fund Installment on the Bonds first becoming due within the next succeeding thirteen (13) month period (or, if the first Sinking Fund Installment payment date following the Closing Date shall be on a date sooner than thirteen (13) calendar months following the Closing Date, then, with respect to such first Sinking Fund Installment, an amount equal to the quotient obtained by dividing such Sinking Fund Installment by the number of Loan Payment Dates between the Closing Date and such first Sinking Fund Installment payment date), and thereafter for each Sinking Fund Installment payment date commencing on that Loan Payment Date as shall precede such Sinking Fund Installment payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-twelfth (1/12) of the amount of the Sinking Fund Installment of the Bonds Outstanding becoming due within such next succeeding thirteen (13) month period, provided that in any event the aggregate amount so paid with respect to Sinking Fund Installments on the Bonds on or before the Loan Payment Date immediately preceding a Sinking Fund Installment payment date of the Bonds shall be an amount sufficient to pay the Sinking Fund Installment of the Bonds Outstanding becoming due on such next succeeding Sinking Fund Installment payment date;

(iv) on each redemption date, with respect to the Redemption Price (other than by Sinking Fund Installments) due and payable on the Initial Bonds, whether as an optional or mandatory redemption, an amount equal to the Redemption Price together with accrued interest on the Initial Bonds being redeemed on such redemption date;

(v) with respect to interest due and payable on the Initial Bonds, the Institution shall further pay such additional amounts as set forth in the Indenture in the event of the occurrence of a Determination of Taxability with respect to the Initial Bonds or an Event of Default under the Indenture; and

(vi) upon receipt by the Institution of notice from the Trustee pursuant to Section 5.09(f) of the Indenture that the amount on deposit in the applicable account of the Debt Service Reserve Fund shall be less than the applicable Debt Service Reserve Fund Requirement, the Institution shall pay to the Trustee for deposit in the applicable account of the Debt Service Reserve Fund on the first day of the month immediately following the receipt by the Institution of notice of such deficiency, and on the first day of each of the five (5) succeeding months, or over such longer time period as shall be consented to in writing by the Bondholder Representative (or, if there is no Bondholder Representative, the Majority Holders), an amount equal to one sixth (1/6th) of such deficiency in the Debt Service Reserve Fund.

(b) In the event the Institution should fail to make or cause to be made any of the payments required under the foregoing provisions of this Section, the item or installment not so paid shall continue as an obligation of the Institution until the amount not so paid shall have been fully paid including all unpaid accrued interest thereon at the applicable Default Rate.

(c) The Institution has the option to make advance loan payments for deposit in the Bond Fund to effect the retirement, defeasance or redemption of the Bonds in whole or in part, all in accordance with the terms of the Indenture; provided, however, that no partial retirement, defeasance or redemption of the Bonds may be effected through advance loan payments hereunder if there shall exist and be continuing an Event of Default. The Institution shall exercise its option to make such advance loan payments by delivering a written notice of an Authorized Representative of the Institution to the Trustee in accordance with the Indenture, with a copy to the Issuer and the Bondholder Representative, setting forth (u) the amount of the advance loan payment, (v) the Series and principal amount of Bonds Outstanding requested to be redeemed with such advance loan payment (which principal amount shall be in such minimum amount or integral Authorized Denomination as shall be permitted in the Indenture), and (w) the date on which such principal amount of Bonds are to be redeemed (which date shall be not earlier than forty-five (45) days after the date of such notice). In the event the Institution shall exercise its option to make advance loan payments to effect the redemption, retirement or defeasance in whole of the Bonds, and such redemption is expressly permitted under the Indenture as a result of the damage, destruction or condemnation of the Facility, or changes in law, or executive or judicial action, the Institution shall further deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes. Such advance loan payment shall be paid to the Trustee in legal tender, for deposit, the applicable Redemption Account of the Bond Fund on or before the redemption date and shall be an amount which, when added to the amounts on deposit in the Bond Fund and available therefor, will be sufficient to pay the Redemption Price of the Bonds to be redeemed, together with interest to accrue to the date of redemption and all expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agent in connection with such redemption. In the event the Bonds are to be redeemed, retired or defeased in whole or otherwise retired, the Institution shall further pay on or before such redemption date, in legal tender, to the Issuer, the Trustee, the Bond Registrar and the Paying Agent all fees and expenses owed

such party or any other party entitled thereto under this Agreement or the Indenture together with (x) all other amounts due and payable under this Agreement and the other Security Documents, and (y) any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Certificate.

(d) At its option, to be exercised on or before the forty-fifth (45th) day next preceding the date any Bonds of a Series are to be redeemed from mandatory Sinking Fund Installments, the Institution may deliver to the Trustee Bonds of such Series which are subject to mandatory Sinking Fund Installment redemption in an aggregate principal amount not in excess of the principal amount of Bonds of such Series to be so redeemed on such date. Each such Bond so delivered shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date and any excess over such Sinking Fund Installment shall be credited on future Sinking Fund Installments in direct chronological order, and the principal amount of Bonds to be redeemed by operation of the mandatory Sinking Fund Installments shall be accordingly reduced.

(e) In the event Defaulted Interest (as defined in Section 2.02(g) of the Indenture) shall become due on any Initial Bond, the Institution shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on such Initial Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with Section 2.02(g) of the Indenture), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment.

(f) No further loan payments need be made to the Issuer on account of the Bonds when and so long as the amount of cash and/or Defeasance Obligations on deposit in the Bond Fund is sufficient to satisfy and discharge the obligations of the Issuer under the Indenture and pay the Bonds as provided in Article XI of the Indenture.

(g) Any amounts remaining in the Earnings Fund, the Rebate Fund, the Bond Fund, the Debt Service Reserve Fund, the Project Fund or the Renewal Fund after payment in full of (w) the Bonds (in accordance with Article XI of the Indenture), (x) the fees, charges and expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agent in accordance with the Indenture, (y) all amounts required to be rebated to the Federal government pursuant to the Tax Certificate or the Indenture, and (z) all amounts required to be paid under any Project Document, shall have been so paid, shall belong to and be paid to the Institution by the Trustee as overpayment of the loan payments.

(h) In the event that the Institution fails to make any loan payment required in this Section 4.3, the installment so in default shall continue as an obligation of the Institution until the amount in default shall have been fully paid including all unpaid accrued interest thereon at the applicable Default Rate.

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

Section 4.4 **<u>Loan Payments and Other Payments Payable Absolutely Net</u>.** The obligation of the Institution to pay the loan payments and other payments under this Agreement and under the Promissory Note shall be absolutely net to the Issuer and to the Trustee without any abatement, recoupment, diminution, reduction, deduction, counterclaim, set-off or offset whatsoever, so that this

Agreement and the Promissory Note shall yield, net, to the Issuer and to the Trustee, the loan payments and other payments provided for herein, and all costs, expenses and charges of any kind and nature relating to the Facility, arising or becoming due and payable under this Agreement. shall be paid by the Institution and the Indemnified Parties shall be indemnified by the Institution for, and the Institution shall hold the Indemnified Parties harmless from, any such costs, expenses and charges.

Section 4.5 **Nature of Institution's Obligation Unconditional.** The Institution's obligation under this Agreement and under the Promissory Note to pay the loan payments and all other payments provided for in this Agreement and in the Promissory Note shall be absolute, unconditional and a general obligation of the Institution, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee or the Holder of any Bond and the obligation of the Institution shall arise whether or not the Project has been completed as provided in this Agreement and whether or not any provider of a credit facility or liquidity facility, if any, with respect to the Bonds shall be honoring its obligations thereunder. The Institution will not suspend or discontinue any such payment or terminate this Agreement (other than such termination as is provided for hereunder), or suspend the performance or observance of any covenant or agreement required on the part of the Institution hereunder, for any cause whatsoever, and the Institution waives all rights now or hereafter conferred by statute or otherwise to quit, terminate, cancel or surrender this Agreement or any obligation of the Institution under this Agreement except as provided in this Agreement or to any abatement, suspension, deferment, diminution or reduction in the loan payments or other payments hereunder or under the Promissory Note.

Section 4.6 **Advances by the Issuer, the Trustee or the Bondholder Representative.** In the event the Institution fails to make any payment or to perform or to observe any obligation required of it under this Agreement, under the Promissory Note or under any other Security Document, the Issuer, the Trustee or the Bondholder Representative, after first notifying the Institution in writing of any such failure on its part (except that no prior notification of the Institution shall be required in the event of an emergency condition that, in the reasonable judgment of the Issuer, the Trustee or the Bondholder Representative, necessitates immediate action), may (but shall not be obligated to), and without waiver of any of the rights of the Issuer, the Trustee or the Bondholder Representative under this Agreement or any other Security Document to which the Issuer or the Trustee is a party, make such payment or otherwise cure any failure by the Institution to perform and to observe its other obligations hereunder or thereunder. All amounts so advanced therefor by the Issuer, the Trustee or the Bondholder Representative shall become an additional obligation of the Institution to the Issuer or the Trustee, as the case may be, which amounts, together with interest thereon at the rate of twelve percent (12%) per annum, compounded daily, from the date advanced, the Institution will pay upon demand therefor by the Issuer, the Trustee or the Bondholder Representative, as applicable. Any remedy vested in the Issuer or the Trustee herein or in any other Security Document for the collection of the loan payments or other payments or other amounts due hereunder, under the Promissory Note or under any other Security Document shall also be available to the Issuer or the Trustee for the collection of all such amounts so advanced. No advance shall be made by the Trustee except as specified in the Indenture.

Section 4.7 **Pledge of Gross Revenues.** As security for the payment of all liabilities and the performance of all obligations of the Institution hereunder, the Institution does hereby continuously pledge, grant a security interest in and assign to the Trustee, for the benefit of the Bondholders, the Gross Revenues together with the Institution's right to receive and collect the Gross Revenues and the proceeds of such Gross Revenues.

ARTICLE V

RESERVED

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.1 **Damage, Destruction and Condemnation.** In the event that the whole or part of the Facility shall be damaged or destroyed, or taken or condemned by a competent authority for any public use or purpose, or by agreement to which the Institution and those authorized to exercise such right are parties, or if the temporary use of the Facility shall be so taken by condemnation or agreement (a "**Loss Event**"):

(i) the Issuer shall have no obligation to rebuild, replace, repair or restore the Facility or to advance funds therefor,

(ii) there shall be no abatement, postponement or reduction in the loan payments or other amounts payable by the Institution under this Agreement or the Promissory Note or any other Project Document to which it is a party, and the Institution hereby waives, to the extent permitted by law, any provisions of law which would permit the Institution to terminate this Agreement, the Promissory Note or any other Project Document, or eliminate or reduce its payments hereunder, under the Promissory Note or under any other Project Document, and

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

Section 6.2 **Loss Proceeds.**

(a) The Issuer, the Trustee and the Institution shall cooperate and consult with each other in all matters pertaining to the settlement, compromise, arbitration or adjustment of any claim or demand on account of any Loss Event, and the settlement, compromise, arbitration or adjustment of any such claim or demand shall, as between the Issuer and the Institution, be subject to the written approval of the Institution and the Trustee (such approvals not to be unreasonably withheld).

(b) The Net Proceeds with respect to the Facility shall be paid to the Trustee and deposited in the Renewal Fund (except as provided in Section 3.11(d) of the Mortgage in respect of property insurance proceeds that are less than a threshold amount). Pending the disbursement or transfer thereof, the Net Proceeds in the Renewal Fund shall be applied, and may be invested, as provided in the Indenture.

Section 6.3 **Election to Rebuild or Terminate.**

(a) In the event a Loss Event shall occur, the Institution shall either:

(i) at its own cost and expense (except to the extent paid from the Net Proceeds), within one (1) year of the Loss Event, promptly and diligently rebuild, replace, repair or restore the Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or

not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the Institution shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Issuer, the Trustee or any Bondholder, nor shall the loan payments or other amounts payable by the Institution under this Agreement or the Promissory Note or any other Project Document be abated, postponed or reduced, or

(ii) if, to the extent and upon the conditions permitted to do so under Sections 10.1 and 10.2 and under the Indenture, exercise its option to terminate this Agreement and cause the Bonds to be redeemed in whole;

provided that if all or substantially all of the Facility shall be taken or condemned, or if the taking or condemnation renders the Facility unsuitable for use by the Institution as contemplated hereby, the Institution shall exercise its option to terminate this Agreement pursuant to Sections 10.1 and 10.2.

Not later than thirty (30) days after the occurrence of a Loss Event, the Institution shall advise the Issuer and the Trustee in writing of the action to be taken by the Institution under this Section 6.3(a), a failure to so timely notify being deemed an election in favor of Section 6.3(a)(ii) to be exercised in accordance with the provisions of Section 6.3(a)(ii).

(b) If the Institution shall elect to or shall otherwise be required to rebuild, replace, repair or restore the Facility as set forth in Section 6.3(a)(i), the Trustee shall disburse the Net Proceeds from the Renewal Fund in the manner set forth in Section 5.03 of the Indenture to pay or reimburse the Institution, at the election of the Institution, either as such work progresses or upon the completion thereof, provided, however, the amounts so disbursed by the Trustee to the Institution shall not exceed the actual cost of such work. If the Institution shall exercise its option in Section 6.3(a)(ii), the amount of the Net Proceeds so recovered shall be transferred from the Renewal Fund and deposited, 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 Redemption Account of the Bond Fund and available for that purpose, shall be sufficient to retire and redeem the Bonds in whole at the earliest possible date (including, without limitation, principal and interest to the maturity or redemption date and redemption premium, if any), and shall pay the expenses of redemption, the fees and expenses of the Issuer, the Trustee, the Bondholder Representative, the Bond Registrar and the Paying Agent, together with all other amounts due under the Indenture, under this Agreement and under each other Project Document, as well as any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Certificate and such amount so deposited shall be applied, together with such other available amounts in the Bond Fund, if applicable, to such redemption or retirement of the Bonds on said redemption or Maturity Date.

Section 6.4 **Effect of Election to Build**.

(a) All rebuilding, replacements, repairs or restorations of the Facility in respect of or occasioned by a Loss Event shall:

(i) automatically be deemed a part of the Facility under this Agreement and, with respect to Mortgaged Property, shall be subject to the Lien of the Mortgage.

(ii) be effected only if the Institution shall deliver to the Issuer and the Trustee a certificate from an Authorized Representative of the Institution acceptable to the Issuer and the Trustee to the effect that such rebuilding, replacement, repair or restoration shall not change the nature of the Facility as the Approved Facility.

(iii) be effected with due diligence in a good and workmanlike manner, in compliance with all applicable Legal Requirements and be promptly and fully paid for by the Institution in accordance with the terms of the applicable contract(s) therefor,

(iv) restore the Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, and to a state and condition that will permit the Institution to use and operate the Facility as the Approved Facility,

(v) be effected only if the Institution shall have complied with Section 8.1(c),

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

(vii) if the estimated cost of such rebuilding, replacement, repair or restoration is in excess of $500,000, be effected under the supervision of an Independent Engineer.

(b) The date of completion of the rebuilding, replacement, repair or restoration of the Facility shall be evidenced to the Issuer and the Trustee by a certificate of an Authorized Representative of the Institution with a copy to the Bondholder Representative stating (i) the date of such completion, (ii) that all labor, services, machinery, equipment, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for or arrangement for payment, reasonably satisfactory to the Trustee, has been made (iii) that the Facility has been rebuilt, replaced, repaired or restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, (iv) that all property constituting part of the Facility under this Agreement and, if applicable, subject to the mortgage lien and security interest of the Mortgage, subject to Permitted Encumbrances, (v) the Rebate Amount applicable with respect to the Net Proceeds and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund), and (vi) that the restored Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Institution against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 5.03 of the Indenture and (z) that no Person other than the Issuer or the Trustee may benefit therefrom.

(c) The certificate delivered pursuant to Section 6.4(b) shall be accompanied by (i) a certificate of occupancy (either temporary or permanent, provided that if it is a temporary certificate of occupancy, if required, the Institution will proceed with due diligence to obtain a permanent certificate of occupancy), if required, and any and all permissions, licenses or consents required of governmental authorities for the occupancy, operation and use of the Facility for the purposes contemplated by this Agreement; (ii) a certificate of an Authorized Representative of the Institution that all costs of rebuilding, repair, restoration and reconstruction of the Facility have been paid in full, together with releases and/or waivers of liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the rebuilding, repair, restoration and reconstruction of the Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute, evidence to the Trustee that such costs have been appropriately bonded or that the Institution shall have posted a surety or security at least equal to the amount of such costs); and (iii) a search prepared by a title company, or other evidence satisfactory to the Trustee, indicating that there has not been filed with respect to the Facility any mechanic's, materialmen's or any other Lien, unless bonded, in connection with the rebuilding,

replacement, repair and restoration of the Facility and that there exist no Liens other than Permitted Encumbrances and those Liens consented to by the Issuer and the Trustee in writing.

ARTICLE VII

COVENANTS OF THE ISSUER

Section 7.1 **Assignment of Promissory Note.** On the Closing Date, the Issuer will endorse and assign the Promissory Note to the Trustee.

Section 7.2 **Issuance of Initial Bonds.** Subject to the satisfaction of the conditions to the issuance of the Initial Bonds, the Issuer will sell and deliver the Initial Bonds in amount up to the Authorized Principal Amount under and pursuant to the Bond Resolution and under and pursuant to the Indenture. The proceeds of sale of the Initial Bonds shall be deposited and applied in accordance with the provisions of the Indenture.

Section 7.3 **Issuance of Additional Bonds.** Under the provisions of and subject to the conditions set forth in the Indenture, the Issuer is authorized to enter into a Supplemental Indenture and issue one or more series of Additional Bonds on a parity with the Initial Bonds for the purpose of (w) completing the Project, (x) providing funds in excess of the Net Proceeds of insurance or eminent domain to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, (y) providing extensions, additions or improvements to the Facility, or (z) refunding Outstanding Bonds. If the Institution is not in default hereunder or under any other Project Document, the Issuer will consider the issuance of a Series of Additional Bonds in a principal amount as is specified in a written request of an Authorized Representative of the Institution in accordance with the applicable provisions set forth in the Indenture.

Section 7.4 **Pledge and Assignment to Trustee.** As security for the payment of the Bonds and the obligations of the Institution under the Security Documents:

(a) the Institution shall, pursuant to the Mortgage, grant to the Trustee, for the benefit of the Bondholders, a mortgage lien on and security interest in its fee and leasehold interest in the Mortgaged Property; and

(b) the Issuer shall pledge and assign to the Trustee, for the benefit of the Bondholders, pursuant to the Indenture all of the Issuer's right, title and interest in the Promissory Note and all of the Issuer's right, title and interest in this Agreement (except for the Issuer's Reserved Rights), including all loan payments hereunder and under the Promissory Note, and in furtherance of such pledge, the Issuer will unconditionally assign such loan payments to the Trustee for deposit in the Bond Fund in accordance with the Indenture.

ARTICLE VIII

COVENANTS OF THE INSTITUTION

Section 8.1 **Insurance.**

(a) Definitions. The following capitalized terms shall have the respective meanings specified below:

Certificate means an ACORD certificate evidencing insurance

CGL means commercial general liability insurance.

CM means a construction manager or contractor providing construction management services in connection with any Construction.

Construction means any construction, reconstruction, restoration, renovation, alteration and/or repair on, in, at or about the Facility Realty, including the Project Work or any other construction, reconstruction, restoration, alteration and/or repair required under this Agreement in connection with the Facility.

Contractor(s) means, individually or collectively, a contractor or subcontractor providing materials and/or labor and/or other services in connection with any Construction, but not including a GC, CM or any architect or engineer providing professional services.

GC means any general contractor or manager providing general contracting services in connection with any Construction.

Insured means the Institution.

Insurer means any entity writing or issuing a Policy.

ISO means the Insurance Services Office or its successor.

ISO Form CG-0001 means the CGL form published by ISO at the Closing Date.

Policy(ies) means, collectively or individually, the policies required to be obtained and maintained pursuant to Section 8.1(b) and (c).

SIR means self-insured retention.

U/E means Umbrella or Excess Liability insurance.

Workers' Compensation means Workers' Compensation, disability and employer liability insurance.

(b) Required Insurance. Except during periods of Construction, the Insured shall obtain and maintain for itself as a primary insured the following insurance:

(i) CGL with $2,000,000 minimum per occurrence; $7,000,000 minimum in the aggregate; and per-location aggregate. This Policy shall contain coverage for contractual liability, premises operations, and products and completed operations.

(ii) Reserved.

(iii) Auto liability insurance with $1,000,000 combined single limit and $1,000,000 for uninsured or under-insured vehicles. If the Insured owns any vehicles, it shall obtain auto liability insurance in the foregoing amounts for hired and non-owned vehicles. Coverage should be at least as broad as ISO Form CA0001, ed. 10/01

(iv) Workers Compensation satisfying State statutory limits. Coverage for employer liability shall be in respect of any work or operations in, on or about the Facility Realty.

(v) Property insurance in the amount required under the Mortgage.

(c) Required Insurance During Periods of Construction. In connection with any Construction and throughout any period of such Construction, the Institution shall cause the following insurance requirements to be satisfied:

(i) The Insured shall obtain and maintain for itself Policies in accordance with all requirements set forth in Section 8.1(b).

(ii) Any GC or CM shall obtain and maintain for itself as a primary insured the following Policies:

(A) CGL and U/E in accordance with the requirements in Section 8.1(b), subject to the following modifications: (x) coverage shall be in an aggregate minimum amount of $10,000,000 per project aggregate, and (y) completed operations coverage shall extend (or be extended) for an additional five (5) years after completion of the Construction (which will be deemed to be the Project Completion Date unless the Institution shall have provided written notice and satisfactory evidence to the Issuer that the Construction was completed as of a specified earlier date);

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

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

(iii) Notwithstanding preceding subsections "i" and "ii," during Construction aggregate minimum coverage in the amount of $10,000,000 (combined CGL and U/E required by Sections 8.1(b) and 8.1(c)) may be achieved by any combination of coverage amounts between the Insureds on the one hand and the GC or CM on the other.

(iv) Each Contractor shall obtain and maintain for itself as a primary insured the following insurance:

(A) CGL and U/E in accordance with the requirements in Section 8.1(b) except that, in addition, completed operations coverage shall extend (or be extended) for an additional five (5) years after completion of the Construction (which will be deemed to be the Project Completion Date unless the Institution shall have provided written notice and satisfactory evidence to the Issuer that the Construction was completed as of a specified earlier date);

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

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

(d) Required Policy Attributes. Except as the Issuer and the Trustee shall expressly otherwise agree in writing in their sole and absolute discretion:

(i) The Institution shall cause each Policy (other than Worker's Compensation and auto liability insurance) to name the Issuer and the Trustee as additional insureds on a primary and non-contributory basis as more particularly required in Section 8.1(f)(i). In addition, each Contractor must protect the Issuer and Trustee as additional insureds on a primary and non-contributory basis via ISO endorsement CG-20 26 and CG 20 37 or their equivalents and the endorsements must specifically identify the Issuer and Trustee as Additional Insureds.

(ii) No Policy shall have a deductible.

(iii) CGL shall not be subject to SIR.

(iv) CGL shall be written on either ISO Form CG-0001 or on such other form that the Institution may request provided that any requested substitute shall provide an additional insured with substantially equivalent coverage to that enjoyed by an additional insured in a policy written on ISO Form CG-0001 and provided further that the substitute is reasonably approved by the Issuer. If the Insured intends to renew its CGL on a form that is not ISO Form CG-0001, it shall provide the Issuer and the Trustee with a copy of the substitute form at least sixty (60) days prior to the intended date on which the renewal Policy is to be effective.

(v) The Institution acknowledges that the Issuer and the Trustee are materially relying upon the content of ISO Form CG-0001 to implement the Issuer's insurance requirements under this Section 8.1; accordingly, the Institution agrees that non-standard exclusions and other modifications to ISO Form CG-0001 are prohibited under the terms and conditions of this Section 8.1. In the event that ISO either ceases to exist or discontinues ISO Form CG-0001, the Issuer or the Trustee shall have the right to require, for all purposes hereunder, a different CGL form, provided that the replacement is substantially similar to ISO Form CG-0001.

(vi) Without limiting Section 8.1(d)(v) or the application of any other requirement under this Section 8.1, no Policy delivered hereunder shall limit (whether by exception, exclusion, endorsement, script or other modification) any of the following coverage attributes:

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

(B) employer's liability coverage;

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

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

(E) the applicability of CGL coverage to the Issuer and the Trustee as additional insureds in respect of liability arising out of any of the following claims: (x) claims against the Issuer and/or the Trustee by employees of an Insured, or (y) claims against the Issuer and/or the Trustee by any GC, CM, Contractor, architect or engineer or

by the employees of any of the foregoing, or (z) claims against the Issuer and/or the Trustee arising out of any work performed by a GC, CM, Contractor, architect or engineer.

(vii) U/E shall follow the form of CGL except that U/E may be broader.

(viii) Each Policy shall provide primary insurance and the issuing Insurer shall not have a right of contribution from any other insurance policy insuring the Issuer and/or the Trustee.

(ix) In each Policy, the Insurer shall waive, as against any Person insured under such Policy including any additional insured, the following: (x) any right of subrogation, (y) any right to set-off or counterclaim against liability incurred by a primary insured or any additional insured, and (z) any other deduction, whether by attachment or otherwise, in respect of any liability incurred by any primary insured or additional insured.

(x) Policies shall not be cancellable without at least thirty (30) days' prior written notice to the Issuer and the Trustee as additional insureds.

(xi) Each Policy under which the Issuer and the Trustee is an additional insured shall provide that the Issuer and the Trustee will not be liable for any insurance premium, commission or assessment under or in connection with any Policy.

(e) Required Insurer Attributes. All Policies must be issued by Insurers satisfying the following requirements:

(i) Insurers shall have a minimum AM Best rating of A-.

(ii) Each Insurer must be an authorized insurer in accordance with Section 107(a) of the New York State Insurance Law.

(iii) Insurers must be admitted in the State; provided, however, that if an Insured requests the Issuer to accept a non-admitted Insurer, and if the Issuer reasonably determines that for the kind of operations performed by the Insured an admitted Insurer is commercially unavailable to issue a Policy or is non-existent, then the Issuer shall provide its written consent to a non-admitted Insurer. For purposes of this paragraph, an "admitted" Insurer means that the Insurer's rates and forms have been approved by the State Department of Financial Services and that the Insurer's obligations are entitled to be insured by the State's insurance guaranty fund.

(f) Required Evidence of Compliance. The Institution shall deliver or cause to be delivered evidence of all Policies required hereunder as set forth in this Section 8.1(f):

(i) All Policies. With respect to all Policies on which an Insured is to be a primary insured, the Insured shall deliver to the Issuer and the Trustee a Certificate or Certificates evidencing all Policies required by this Section 8.1(w) at the Closing Date, (x) prior to the expiration or sooner termination of Policies, (y) prior to the commencement of any Construction, and (z) upon request by the Issuer or the Trustee. If the Certificate in question evidences CGL, such Certificate shall name the Issuer and the Trustee as additional insureds in the following manner:

Build NYC Resource Corporation and U.S. Bank National Association, as Trustee, are each additional insureds on a primary and non-contributory basis. The referenced CGL is written on ISO Form CG-0001 without modification to the contractual liability, employer's liability or waiver-of-subrogation provisions thereof, and contains no endorsement limiting or excluding coverage for claims arising under New York Labor Law, covering the following premises: 355 Bard Avenue, Staten Island, New York; 288 Kissel Avenue, Staten Island, New York and 669 Castleton Avenue, Staten Island, New York.

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

(A) Prior to the Closing Date, the Insured shall deliver to the Issuer and the Trustee the declarations page and the schedule of forms and endorsements pertinent thereto, and in addition, deliver such documents to the Issuer forty-five (45) days prior to the commencement of a Project Work.

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

(C) Prior to the commencement of any Construction, including, but not limited to, any Project Work as set forth in paragraph (A) above, the Insured shall deliver to the Issuer and the Trustee a declarations page and a schedule of forms and endorsements pertinent to the CGL under which the Insured is to be the primary insured during the period of such Construction, including the time frame set forth in paragraph (A) above with respect to a Project Work.

(iii) Insurance to be obtained by GCs and CMs. Prior to the commencement of any Construction that entails the services of a GC or CM, the Institution shall provide to the Issuer and the Trustee, in a form satisfactory to the Issuer and the Trustee, evidence that the GC or CM (as the case may be) has obtained the Policies that it is required to obtain and maintain in accordance with Section 8.1(c).

(iv) Insurance to be obtained by Contractors. In connection with any Construction, the Institution shall, upon the written request of the Issuer or the Trustee, cause any or all Contractors to provide evidence, satisfactory to the Issuer and the Trustee, that such Contractors have obtained and maintain the Policies that they are required to obtain and maintain in accordance with the requirements of Section 8.1(c).

(g) Notice. The Institution shall immediately give the Issuer and the Trustee notice of each occurrence that is reasonably probable to give rise to a claim under the insurance required to be maintained by this Section 8.1.

(h) Miscellaneous.

(i) If, in accordance with the terms and conditions of this Section 8.1, an Insured is required to obtain the consent of the Issuer and/or the Trustee, the Institution shall request such consent in a writing provided to the Issuer and/or the Trustee at least thirty (30)

days in advance of the commencement of the effective period (or other event) to which the consent pertains.

(ii) The delivery by an Insured of a Certificate evidencing auto liability insurance for hired and non-owned vehicles shall, unless otherwise stated by the Institution to the contrary, constitute a representation and warranty from the Insured to the Issuer and the Trustee that the Insured does not own vehicles.

(iii) The Insured shall neither do nor omit to do any act, nor shall it suffer any act to be done, whereby any Policy would or might be terminated, suspended or impaired.

(iv) If insurance industry standards applicable to properties similar to the Facility Realty and/or operations similar to the operations of the Institution materially change; and if, as a consequence of such change, the requirements set forth in this Section 8.1 become inadequate in the reasonable judgment of the Issuer or the Trustee for the purpose of protecting the Issuer and the Trustee against third-party claims, then the Issuer or the Trustee shall have the right to supplement and/or otherwise modify such requirements, provided, however, that such supplements or modifications shall be commercially reasonable.

(v) THE ISSUER AND THE TRUSTEE DO NOT REPRESENT THAT THE INSURANCE REQUIRED IN THIS SECTION 8.1, WHETHER AS TO SCOPE OR COVERAGE OR LIMIT, IS ADEQUATE OR SUFFICIENT TO PROTECT THE INSURED AND ITS OPERATIONS AGAINST CLAIMS AND LIABILITY.

(vi) The Issuer, in its sole discretion and without obtaining the consent of the Trustee or any other party to the transactions contemplated by this Agreement, may make exceptions to the requirements under this Section 8.1 by a written instrument executed by the Issuer. In the event the Institution shall request the Issuer to make any exception to the requirements under this Section 8.1, the Issuer shall not unreasonably withhold its consent. The Institution acknowledges that the Issuer's decision in this respect will be deemed reasonable if made in furtherance of protecting the Issuer from liability.

Section 8.2 **Indemnity**.

(a) The Institution shall at all times indemnify, defend, protect and hold the Issuer, the Trustee, the Bondholder Representative, the Bond Registrar and the Paying Agent, and any director, member, officer, employee, servant, agent (excluding for this purpose the Institution, which is not obligated hereby to indemnify its own employees, Affiliates or affiliated individuals) thereof and persons under the Issuer's control or supervision (collectively, the "**Indemnified Parties**" and each an "**Indemnified Party**") harmless of, from and against any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed), demands, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs and expenses, including attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses (collectively, "**Claims**") of any kind for losses, damage, injury and liability (collectively, "**Liability**") of every kind and nature and however caused (except, with respect to any Indemnified Party, Liability arising from the gross negligence or willful misconduct of such Indemnified Party), arising during the period commencing on the Indemnification Commencement Date, and continuing until the termination of this Agreement, arising upon, about, or in any way connected with the Facility, the Project, or any of the transactions with respect thereto, including:

(i) the financing of the costs of the Facility or the Project and the marketing, offering, issuance, sale and remarketing of the Bonds for such purpose,

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

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

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

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

(vi) any imposition arising from, burden imposed by, violation of, or failure to comply with any Legal Requirement, including failure to comply with the requirements of the City's zoning resolution and related regulations, or

(vii) the presence, disposal, release, or threatened release of any Hazardous Materials that are on, from, or affecting the Facility; any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials, and/or any violation of Legal Requirements, including demands of government authorities, or any policies or requirements of the Issuer, which are based upon or in any way related to such Hazardous Materials.

(b) The Institution releases each Indemnified Party from, and agrees that no Indemnified Party shall be liable to the Institution or its Affiliates for, any Claim or Liability arising from or incurred as a result of action taken or not taken by such Indemnified Party with respect to any of the matters set forth in Section 8.2(a) including any Claim or Liability arising from or incurred as a result of the negligence or gross negligence of such Indemnified Party, or at the direction of the Institution with respect to any of such matters above referred to.

(c) An Indemnified Party shall promptly notify the Institution in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the Institution pursuant to this Section 8.2; such notice shall be given in sufficient time to allow the Institution to defend or participate in such claim or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Institution under this Section 8.2

(d) Anything to the contrary in this Agreement notwithstanding, the covenants of the Institution contained in this Section 8.2 shall be in addition to any and all other obligations and liabilities

that the Institution may have to any Indemnified Party in any other agreement or at common law, and shall remain in full force and effect after the termination of this Agreement until the later of (x) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (y) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions herein specified.

Section 8.3 **Compensation and Expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agent; Administrative and Project Fees.**

(a) The Institution shall pay the fees, costs and expenses of the Issuer together with any reasonable fees and disbursements incurred by lawyers or other consultants in performing services for the Issuer in connection with this Agreement or any other Project Document, together with all fees and costs incurred in connection with complying with Section 8.12(b) (including reasonable fees and disbursements of lawyers and other consultants).

(b) On the Closing Date, the Institution shall pay to the Issuer the Initial Annual Administrative Fee and the Project Fee.

(c) The Institution further agrees to pay the Annual Administrative Fee to the Issuer on each July 1 following the Closing Date until the Termination Date (the Annual Administrative Fee shall not be pro-rated for the final period ending on the Termination Date). In the event the Institution shall fail to pay the Annual Administrative Fee on the date due, the Issuer shall have no obligation to deliver notice of such failure to the Institution.

(d) The Institution shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay the following fees, charges and expenses and other amounts:

(i) the initial and annual fees of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture, including fees and expenses as Bond Registrar and in connection with preparation of new Bonds upon exchanges or transfers or making any investments in accordance with the Indenture and the reasonable fees of its counsel,

(ii) the reasonable fees and charges of the Trustee and the Paying Agent on the Bonds for acting as paying agent as provided in the Indenture, including the reasonable fees of its counsel,

(iii) the reasonable fees, charges, and expenses of the Trustee for extraordinary services rendered by it under the Indenture, including reasonable counsel fees; and

(iv) the reasonable fees, charges and expenses, including reasonable counsel fees, of the Bondholder Representative incurred by it in enforcing its rights under the Indenture and the other Project Documents.

(e) With respect to any advance of the Series 2018B Bond proceeds subsequent to the Closing Date, the Institution shall pay to the Issuer a project fee in the amount of $149,425 on the first Draw-Down Date (as defined in the Agreement to Advance)

Section 8.4 **Current Facility Personalty Description.** The Institution covenants and agrees that, until the termination of this Agreement, including upon the completion of the Project or of any

replacement, repair, restoration or reconstruction of the Facility pursuant to Article VI, it will cause Exhibit B — "Description of the Facility Personalty", together with the "Description of the Facility Personalty" attached as part of the appendices to the Indenture, this Agreement and the Mortgage, to be an accurate and complete description of all current items of Facility Personalty. To this end, the Institution covenants and agrees that (x) no requisition shall be submitted to the Trustee for moneys from the Project Fund for the acquisition or installation of any item of Facility Personalty, (y) no item of Facility Personalty shall be substituted or replaced by a new item of machinery, equipment or other tangible personal property except pursuant to Section 3.5(a) or Article VI, and (z) no item of Facility Personalty shall be delivered and installed at the Facility Realty as part of the property comprising the Facility, unless in each case such item of machinery, equipment or other item of tangible personal property shall be accurately and sufficiently described in Exhibit B — "Description of the Facility Personalty", together with the "Description of the Facility Personalty" in the appendices attached as part of the Indenture, this Agreement and the Mortgage, and the Institution shall from time to time prepare and deliver to the Issuer and the Trustee supplements to such Appendices in compliance with the foregoing. Such supplements shall be executed and delivered by the appropriate parties and, at the Trustee's request, duly recorded by the Institution, and, at the Trustee's request, additional financing statements with respect thereto shall be duly filed by the Institution.

Section 8.5 **Signage at Facility Site.** Upon commencement of the renovation and/or construction of or at the Facility in connection with the Project (including the commencement of any demolition and/or excavation), the Institution shall erect on the Facility site, at its own cost and expense, within easy view of passing pedestrians and motorists, a large and readable sign with the following information upon it (hereinafter, the "**Sign**"):

FINANCIAL ASSISTANCE PROVIDED
THROUGH THE
BUILD NYC RESOURCE CORPORATION
Mayor Bill de Blasio

In addition, the Sign shall satisfy the following requirements: (x) format and appearance generally shall be stipulated by the Issuer in writing or electronically; (y) the minimum size of the Sign shall be four (4) feet by eight (8) feet; and (z) the Sign shall have no other imprint upon it other than that of the Issuer. The Sign shall remain in place at the Facility until completion of the renovations and/or construction. The Institution may erect other signs in addition to the Sign.

Section 8.6 **Environmental Matters.**

(a) On or before the Closing Date, the Institution shall provide to the Issuer and the Trustee a letter from the Environmental Auditor addressed to the Issuer and the Trustee, stating that the Issuer and the Trustee may rely upon the Environmental Audit as if it was prepared for the Issuer and the Trustee in the first instance.

(b) The Institution shall not cause or permit the Facility or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all applicable Legal Requirements, nor shall the Institution cause or permit, as a result of any intentional or unintentional act or omission on the part of the Institution or any occupant or user of the Facility, a release of Hazardous Materials onto the Facility or onto any other property.

(c) The Institution shall comply with, and require and enforce compliance by, all occupants and users of the Facility with all applicable Legal Requirements pertaining to Hazardous

Materials, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all occupants and users of the Facility obtain and comply with, any and all approvals, registrations or permits required thereunder.

(d) The Institution shall conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Facility in accordance with all applicable Legal Requirements.

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

(f) The parties hereto agree that the reference in Section 2.2(m) to the Environmental Audit is not intended, and should not be deemed to intend, to modify, qualify, reduce or diminish the Institution's obligations to carry out and perform all of the covenants stated throughout this Section 8.6 and in Section 8.2.

Section 8.7 **Employment Matters**.

(a) Except as is otherwise provided by collective bargaining contracts or agreements, new employment opportunities created as a result of the Project shall be listed with the New York State Department of Labor ("**DOL**") Community Services Division, and with the administrative entity of the service delivery area created by the Workforce Investment Act of 1998 (29 U.S.C. §2801) in which the Facility Realty is located. Except as is otherwise provided by collective bargaining contracts or agreements, the Institution agrees, where practicable, to consider first, and cause each of its Affiliates at the Facility to consider first, persons eligible to participate in the Workforce Investment Act of 1998 (29 U.S.C. §2801) programs who shall be referred by administrative entities of service delivery areas created pursuant to such Act or by the Community Services Division of the DOL for such new employment opportunities.

(b) Upon the Issuer's written request, the Institution shall provide to the Issuer any employment information in the possession of the Institution which is pertinent to the Institution and the employees of the Institution to enable the Issuer and/or NYCEDC to comply with its reporting requirements required by City Charter §1301 and any other applicable laws, rules or regulations.

(c) The Institution hereby authorizes any private or governmental entity, including the DOL, to release to the Issuer and/or NYCEDC, and/or to the successors and assigns of either (collectively, the "**Information Recipients**"), any and all employment information under its control and pertinent to the Institution and the employees of the Institution to enable the Issuer and/or NYCEDC to comply with its reporting requirements required by City Charter §1301 and any other applicable laws, rules or regulations. Information released or provided to Information Recipients by DOL, or by any other governmental entity, or by any private entity, or by the Institution, or any information previously released as provided by all or any of the foregoing parties (collectively, "**Employment Information**") may be disclosed by the Information Recipients in connection with the administration of the programs of the Issuer, and/or NYCEDC, and/or the successors and assigns of either, and/or the City, and/or as may be necessary to comply with law; and, without limiting the foregoing, the Employment Information may be included in (x) reports prepared by the Information Recipients pursuant to City Charter §1301, (y) other reports required of the Issuer, and (z) any other reports required by law. This authorization shall remain in effect until the termination of this Agreement.

(d) Upon the request of the Issuer, the Institution shall cooperate with the Issuer in the development of programs for the employment and/or training of members of minority groups in connection with performing work at the Facility.

(e) Nothing in this Section shall be construed to require the Institution to violate any existing collective bargaining agreement with respect to hiring new employees.

Section 8.8 **Non-Discrimination**.

(a) At all times during the maintenance and operation of the Facility, the Institution shall not discriminate nor permit any of its Affiliates to discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The Institution shall use its best efforts to ensure that employees and applicants for employment with any tenant of the Facility are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term "treated" shall mean and include the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(b) The Institution shall, in all solicitations or advertisements for employees placed by or on behalf of the Institution state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin, age or sex.

(c) The Institution shall furnish to the Issuer all information required by the Issuer pursuant to this Section and will cooperate with the Issuer for the purposes of investigation to ascertain compliance with this Section.

Section 8.9 **Assignment of this Agreement or Lease of Facility**.

(a) The Institution shall not at any time, except as permitted by Section 8.20, assign or transfer this Agreement without the prior written consents of the Issuer (which consent may be withheld by the Issuer in its absolute discretion) and the Trustee (given at the written direction of the Bondholder Representative); provided further, that the following conditions must be satisfied on or prior to the date the Issuer and the Trustee consent to any such assignment or transfer:

(i) the Institution shall have delivered to the Issuer, the Bondholder Representative and the Trustee a certificate of an Authorized Representative to the effect that the transfer or assignment to the assignee or transferee (the "**New Institution**") shall not cause the Facility to cease being the Approved Facility;

(ii) the New Institution shall be liable to the Issuer for the payment of all loan and other payments and for the full performance of all of the terms, covenants and conditions of this Agreement and of any other Project Document to which it shall be a party;

(iii) the New Institution shall have assumed in writing (and shall have executed and delivered to the Issuer, the Bondholder Representative and the Trustee such document and have agreed to keep and perform) all of the terms of this Agreement and each other Project Document on the part of the New Institution to be kept and performed, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State;

(iv) the New Institution shall be a not-for-profit corporation or a limited liability company constituting a Tax-Exempt Organization;

(v) such assignment or transfer shall not violate any provision of this Agreement or any other Project Document;

(vi) an Opinion of Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that, (x) such assignment or transfer shall constitute the legally valid, binding and enforceable obligation of the New Institution and shall not legally impair in any respect the obligations of the New Institution for the payment of all loan payments nor for the full performance of all of the terms, covenants and conditions of this Agreement, of the Promissory Note or of any other Project Document to which the New Institution shall be a party, nor impair or limit in any respect the obligations of any other obligor under any other Project Document, and (y) this Agreement and each of the other Project Documents to which the New Institution is a party constitute the legally valid, binding and enforceable obligation of the New Institution;

(vii) the New Institution shall have delivered to the Issuer the Required Disclosure Statement in form and substance satisfactory to the Issuer;

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

(ix) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such assignment or transfer shall not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

The Institution shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such assignment or transfer in substantially final form at least thirty (30) days prior to the date of execution thereof.

(b) With the exception of Approved Users (as defined in Section 8.9(d)), the Institution shall not at any time lease all or substantially all of the Facility, without the prior written consents of the Issuer (which consent may be withheld by the Issuer in its absolute discretion) and the Trustee (given at the written direction of the Bondholder Representative); nor shall the Institution lease part (*i.e.*, not constituting substantially all) of the Facility without the prior written consents of the Issuer and the Trustee (which consents shall, in such case, not be unreasonably withheld and, in the case of the Issuer, such consent to be requested by the Institution of the Issuer in the form prescribed by the Issuer, and such consent of the Issuer to take into consideration the Issuer's policies as in effect from time to time); provided further, that the following conditions must be satisfied on or prior to the date the Issuer and the Trustee consent to any such letting:

(i) the Institution shall have delivered to the Issuer, the Bondholder Representative and the Trustee a certificate of an Authorized Representative to the effect that the lease shall not cause the Facility to cease being the Approved Facility (except to the extent approved pursuant to clause (iv) below);

(ii) the Institution shall remain primarily liable to the Issuer for the payment of all loan and other payments and for the full performance of all of the terms, covenants and

conditions of this Agreement and of the Promissory Note and of any other Project Document to which it shall be a party;

(iii) any lessee in whole or substantially in whole of the Facility shall have assumed in writing (and shall have executed and delivered to the Issuer, the Bondholder Representative and the Trustee such document) and have agreed to keep and perform all of the terms of this Agreement and each other Project Document on the part of the Institution to be kept and performed, shall be jointly and severally liable with the Institution for the performance thereof, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State;

(iv) any lessee shall utilize the Facility as an Approved Facility and shall constitute a Tax-Exempt Organization; provided, however, that the Issuer (in its sole and absolute discretion) and the Trustee (at the direction of the Bondholder Representative) may approve a lessee for a term not to exceed five (5) years that shall not utilize the Facility as an Approved Facility and shall not constitute a Tax-Exempt Organization;

(v) such lease shall not violate any provision of this Agreement or any other Project Document;

(vi) with respect to any letting in part of the Facility, no more than an aggregate of twenty percent (20%) of the Facility shall be leased by the Institution;

(vii) an Opinion of Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such lease shall constitute the legally valid, binding and enforceable obligation of the lessee and shall not legally impair in any respect the obligations of the Institution for the payment of all loan or other payments nor for the full performance of all of the terms, covenants and conditions of this Agreement, of the Promissory Note or of any other Project Document to which the Institution shall be a party, nor impair or limit in any respect the obligations of any other obligor under any other Project Document;

(viii) such lease shall in no way diminish or impair the obligation of the Institution to carry the insurance required under Section 3.11 of the Mortgage or Section 8.1 and the Institution shall furnish written evidence satisfactory to the Issuer and the Trustee (which such determination of satisfaction shall be at the direction of the Bondholder Representative) that such insurance coverage shall in no manner be diminished or impaired by reason of such assignment, transfer or lease;

(ix) any such lessee shall have delivered to the Issuer the Required Disclosure Statement in form and substance satisfactory to the Issuer;

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

(xi) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such lease shall not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

The Institution shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such lease in substantially final form at least thirty (30) days prior to the date of execution thereof.

(c) Any consent by the Issuer or the Trustee to any act of assignment, transfer or lease shall be held to apply only to the specific transaction thereby authorized. Such consent shall not be construed as a waiver of the duty of the Institution, or the successors or assigns of the Institution, to obtain from the Issuer and the Trustee consent to any other or subsequent assignment, transfer or lease, or as modifying or limiting the rights of the Issuer or the Trustee under the foregoing covenant by the Institution.

(d) For purposes of this Section 8.9, any license or other right of possession or occupancy granted by the Institution with respect to the Facility shall be deemed a lease subject to the provisions of this Section 8.9, other than agreements with "Approved Users" defined below.

(e) For purposes of this Section 8.9, "Approved Users" shall mean and include: (1) Lease between the Institution and Richmond Specialty Script, Inc. dated as of September 2014 for the period from January 1, 2015 through January 31, 2020 all for use of 600 usable square feet in the lobby of the Institution's medical center campus at 355 Bard Avenue for the operation of a retail pharmacy; (2) Gift Shop Management and Operation Agreement dated September 1, 2009 between the Institution and LAMAJAK INC. d/b/a Lori's Hospital Gift Shops, for the period from September 1, 2009 through August 1, 2014, as automatically renewed for successive terms of 5 years each, for the use of 650 square feet of sales floor area and 85 square feet of storage area located in the basement of the Sister Loretta Bernard Building on the Institution's medical campus at 355 Bard Avenue, for the operation a retail gift shop; (3) Service Agreement between the Institution and Crothall Healthcare, Inc. dated May 1, 2012, to provide housekeeping management services and cleaning to buildings located at 355 Bard Avenue for a term commencing May 1, 2012 and ending April 30, 2017, subject to automatic annual renewal; (4) Management Services Agreement, between the Institution and Aramark Healthcare Supportive Services, LLC, dated as of March 21, 2007, as amended by Amendment to Management Services Agreement, effective as of August 31, 2017, for patient food service and coffee shop retail food service or use of the food preparation and service space (approximately 10,420 square feet) at 355 Bard Avenue; (5) Prostaff Contract between the Institution and Crothall Facilities Management, Inc. effective as of August 1, 2015, as amended by the Amendment to ProStaff Contract, effective as of August 1, 2017, for a term ending on July 31, 2019, for provision of biomedical services at 355 Bard Avenue; (6) Amended and Restated Agreement for Professional Medical Services dated as of September 3, 2012, as amended by Amendment to the Amended and Restated Agreement for Professional Medical Services, effective as September. 1, 2016, as amended, between the Institution and Richmond Emergency Medical Association, P.L.L.C. d/b/a Richmond Emergency Medical Associates, as amended, to provide emergency medicine services in the Institution's Emergency Department for a term commencing June 1, 2012 and ending May 31, 2015, subject to automatic renewal for additional three year terms; (7) Communication Site Lease Agreement (Building), effective as of July 14, 2009 commencing on the later of commencement of construction and terminating five years from such date, by and between Institution and Clearwire US LLC, for a rooftop lease on a building at 355 Bard Avenue comprising approximately 49 square feet; (8) Rooftop Lease with Option, effective on date Omnipoint Communications, Inc. receives all permits and terminating five years from such date, by and between Institution and Omnipoint Communications, Inc., for a rooftop lease on a building at 355 Bard Avenue comprising 211 square feet; (9) Lease Agreement effective as of June 15, 2000 between the Sisters of Charity Health Corp and AT&T Wireless Services for a rooftop lease on a building at 355 Bard Avenue comprising 336 square feet; (10) Diagnostic Cardiology Agreement effective September 1, 1998 by and between Sisters of Charity Medical Center and Bard Cardiology Associates, P.C. for the use of an approximately 90 square foot office; and (11) including any housing agreement with staff, interns residents and/or medical students for residential apartments located in the approximately 68,000 square foot Resident's Building located at 288 Kissel Avenue, including renewals, extensions or replacements of the agreements listed in this paragraph on materially similar terms with the same parties, provided in each case that such renewals, extensions or replacements do not extend the duration of use or space use and otherwise comply with the requirements of the Tax Certificate. Any

changes in material terms including, without limitation, the type of use, duration or new user must be approved in advance by the Issuer to qualify as an Approved User and comply with the requirements of the Tax Certificate.

The Institution, with respect to all Approved Users, shall comply with all covenants, restrictions and limitations in the Tax Certificate, including, without limitation, non-governmental/private use and loan restrictions set forth in the Tax Certificate and the Institution's commercial general liability insurance shall cover all Approved Users or if not, the Institution shall require that all Approved Users provide commercial general liability and excess/umbrella insurance covering such Approved Users and invitees prior to the commencement of the applicable lease, license or other use or occupancy agreement, as the case may be, and throughout the term of such agreement.

Section 8.10 **Retention of Title to or of Interest in Facility; Grant of Easements; Release of Portions of Facility**.

(a) The Institution shall not sell, assign, encumber (other than Permitted Encumbrances), convey or otherwise dispose of its fee title to or interest in the Facility, or any part of the Facility or interest therein, except as set forth in Sections 3.3, 3.4, 3.5, 3.6, Article VI, 8.9 and 9.2 or in this Section, without (i) the prior written consents of the Issuer and of the Trustee (given at the written direction of the Bondholder Representative) and (ii) the Institution delivering to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that such action pursuant to this Section will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income taxes. Any purported disposition without such consents and opinion shall be void.

(b) No conveyance or release effected under the provisions of this Section 8.10 shall entitle the Institution to any abatement or diminution of the loan payments or other amounts payable under Section 4.3 or any other payments required to be made by the Institution under this Agreement or any other Project Document to which it shall be a party.

Section 8.11 **Discharge of Liens**.

(a) If any Lien is filed or asserted (including any Lien for the performance of any labor or services or the furnishing of materials), whether or not valid, against any property constituting a part of the Trust Estate, the Facility or any part thereof or the interest therein of the Institution or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents, or the interest of the Issuer or the Institution in any Security Document, other than Liens for Impositions not yet payable, Permitted Encumbrances, or Liens being contested as permitted by Section 8.11(b), the Institution forthwith upon receipt of notice of the filing, assertion, entry or issuance of such Lien (regardless of the source of such notice) shall give written notice thereof to the Issuer and the Trustee and take all action (including the payment of money and/or the securing of a bond with respect to any such Lien) at its own cost and expense as may be necessary or appropriate to obtain the discharge in full of such Lien and to remove or nullify the basis therefor. Nothing contained in this Agreement shall be construed as constituting the express or implied consent to or permission of the Issuer for the performance of any labor or services or the furnishing of any materials that would give rise to any Lien not permitted under this Section 8.11(a).

(b) The Institution may at its sole cost and expense contest (after prior written notice to the Issuer, the Trustee and the Bondholder Representative), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Lien, if

(i) such proceeding shall suspend the execution or enforcement of such Lien against the Trust Estate, the Facility or any part thereof or interest therein, or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents or the interest of the Issuer or the Institution in any Project Document,

(ii) neither the Facility nor any part thereof or interest therein, the Trust Estate or any portion thereof, the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the Institution in any Security Document would be in any danger of being sold, forfeited or lost,

(iii) none of the Institution, the Issuer or the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and

(iv) the Institution shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents.

Section 8.12 **Filing**.

(a) The security interest granted by the Issuer to the Trustee pursuant to the Indenture in the rights and other intangible interests described therein, shall be perfected by the filing of financing statements at the direction of the Issuer (at the sole cost and expense of the Institution) in the office of the Secretary of State of the State in the City of Albany, New York, and in the offices of such Register of the City, which financing statements shall be in accordance with Article 9 (Secured Transactions) of the New York State Uniform Commercial Code.

(b) As of the Closing Date,

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

(ii) Section 9-102(67) of the New York State Uniform Commercial Code defines a "public-finance transaction" as a secured transaction in connection with which (x) debt securities are issued, (y) all or a portion of the debt securities issued have an initial stated maturity of at least twenty (20) years, and (z) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a security interest is a state or a governmental unit of a state, and

(iii) subject to any future change in law, the initial financing statement as shall be filed with respect to the security interest described above shall therefore have an effective period of thirty (30) years after the date of filing, for the purpose of determining the date by which continuation statements shall be filed.

(c) The parties hereto acknowledge and agree that, because the foregoing financing statements evidence collateral for the Initial Bonds, and because the Initial Bonds are municipal debt securities with a term that is at least twenty (20) years in duration, there is no need under the Uniform Commercial Code of the State of New York to re-file such financing statements in order to preserve the

Liens that they create for the period commencing with the Closing Date and terminating on the thirtieth anniversary of the Closing Date.

Subsequent to the initial filings, if it is necessary to re-file financing statements and/or file continuation statements and/or take any other actions to preserve the Liens of the Indenture (individually or collectively, the "**Continuation Action(s)**"), then the Institution in a timely manner shall: (A) as applicable, (i) prepare and deliver to the Trustee all necessary instruments and filing papers, together with remittances equal to the cost of required filing fees and other charges, so that the Trustee may perform the Continuation Actions, or (ii) electronically perform the Continuation Actions and deliver to the Trustee written certification (upon which the Trustee may conclusively rely) that such performance has occurred, specifying the Continuation Actions performed, or (iii) perform some of the Continuation Actions in the manner described in clause "(i)" and the others in the manner described in clause "(ii)"; and (B) if requested by the Trustee (acting at the direction of the Bondholder Representative (or, if there is no Bondholder Representative, Majority Holders)) or the Issuer, deliver or cause to be delivered to the Issuer and the Trustee the Opinion of Counsel to the Institution as described below. The Trustee may conclusively rely upon (y) when applicable, the certification referred to in clause "(A)(ii)," and (z) in all instances, the Opinion of Counsel to the Institution. In the event the Institution chooses to have the Trustee perform all or some of the Continuation Actions, as provided in clause "(A)(i)", the Trustee shall reasonably promptly perform such Continuation Actions at the Institution's sole expense. The Institution shall perform the obligations described hereinabove in clauses "(A)" (in every case) and "(B)" (if so requested) no later than ten (10) days prior to (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) each fifth (5th) anniversary thereafter, and/or (ii) the date (not covered by clause "(i)") on which a Continuation Action is to be taken to preserve the Liens of the Indenture.

If an Opinion of Counsel to the Institution is requested pursuant to clause "(B)", then the Opinion of Counsel to the Institution shall be addressed to the Institution, the Issuer and the Trustee. If so requested, the Institution shall deliver successive Opinions of Counsel in respect of (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) every five-year anniversary thereafter through the term of the Initial Bonds, and/or (ii) the date of any required Continuation Action not covered by clause "(i)," in each case not later than fifteen (15) days prior to the date on which a Continuation Action is required to be taken. In the Opinion of Counsel to the Institution, counsel shall opine as to: (i) what Continuation Actions are necessary; and (ii) the deadline dates for the required Continuation Actions, and (iii) the jurisdictions in which the Continuation Actions must be effected. Counsel in such opinion shall additionally opine that, upon performance of the Continuation Actions by, as the case may be, (i) the Trustee with instruments and papers prepared by the Institution, or (ii) the Institution through electronic filing, or (iii) the Trustee as to some Continuation Actions, and the Institution as to the others through electronic filings, all appropriate steps shall have been taken on the part of the Institution, the Issuer and the Trustee then requisite to the maintenance of the perfection of the security interest of the Trustee in and to all property and interests which by the terms of the Indenture are to be subjected to the Liens of the Indenture.

(d) Any filings with respect to the Uniform Commercial Code financing statements may be made electronically, and the Issuer shall have the right to designate a company (which shall be reasonably acceptable to the Trustee) to facilitate the filing of the Uniform Commercial Code financing statements.

(e) The Institution acknowledges and agrees that neither the Issuer nor the Trustee, nor any of their respective directors, members, officers, employees, servants, agents, persons under its control or supervision, or attorneys (including Nationally Recognized Bond Counsel to the Issuer), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of

perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(f) The Institution agrees to perform all other acts (including the payment of all fees and expenses) necessary in order to enable the Issuer and the Trustee to comply with this Section and with Section 7.07 of the Indenture, including but not limited to, providing prompt notice to the Trustee of any change in either of the name or address of the Institution. The Institution agrees that the Issuer and the Trustee, if permitted by applicable law, may provide for the re-recording of the Indenture or any other Security Document or the filing or re-filing of continuation statements without the cooperation of the Institution as necessary at the sole cost and expense of the Institution.

Section 8.13 **No Further Liens Permitted.** The Institution shall not create, permit or suffer to exist any Lien against (i) the Facility or any part thereof, or the interest of the Institution in the Facility, except for Permitted Encumbrances, or (ii) the Trust Estate or any portion thereof, the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the Institution in any Security Document. The Institution covenants that it shall take or cause to be taken all action, including all filing and recording, as may be necessary to ensure that there are no mortgage liens on, or security interests in, the Facility (other than Permitted Encumbrances) prior to the mortgage liens thereon, and security interests therein, granted by the Mortgage.

Section 8.14 **Documents Automatically Deliverable to the Issuer.**

(a) The Institution shall immediately notify the Issuer and the Bondholder Representative of the occurrence of any Event of Default, or any event that with notice and/or lapse of time would constitute an Event of Default under any Project Document. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice.

(b) The Institution shall promptly provide written notice to the Issuer and the Bondholder Representative if any Conduct Representation made by the Institution would, if made on any date during the term of the Agreement and deemed made as of such date, be false, misleading or incorrect in any material respect.

(c) Within five (5) Business Days after receipt from the Issuer of any subtenant survey and questionnaire pertaining to the Facility, the Institution shall complete and execute such survey and questionnaire and return the same to the Issuer.

(d) The Institution shall deliver all insurance-related documents required by Sections 8.1(f) and 8.1(g).

(e) Reserved.

(f) If a removal involving Existing Facility Property having a value in the aggregate exceeding $250,000 was taken by the Institution pursuant to Section 3.5(a), the Institution shall deliver written notice of such removal to the Issuer and the Bondholder Representative within five (5) Business Days following such removal.

(g) Promptly following completion of the Project, but no later than ten (10) Business Days following the receipt of any one of a certificate of occupancy or temporary certificate of occupancy, the Institution shall deliver to the Issuer and the Bondholder Representative the certificate as to Project completion in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate", together with all attachments required thereunder.

(h) If the Institution shall request the consent of the Issuer under Section 8.9 to any sublease in whole or in part of the Facility, or to any assignment or transfer of this Agreement, the Institution shall submit such request to the Issuer in the form prescribed by the Issuer.

(i) Promptly following completion of a Project Work, but no later than ten (10) Business Days following the receipt of any one of a certificate of occupancy, temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection relating to such Project Work, the Institution shall deliver to the Issuer the certificate as to such Project Work completion in substantially the form set forth in Exhibit N – "Form of Individual Project Work Completion Certificate", together with all attachments required thereunder.

Section 8.15 **Requested Documents.** Upon request of the Issuer or the Bondholder Representative, the Institution shall deliver or cause to be delivered to the Issuer and the Bondholder Representative within five (5) Business Days of the date so requested:

(a) a copy of the most recent annual audited financial statements of the Institution and of its subsidiaries, if any (including balance sheets as of the end of the Fiscal Year and the related statement of revenues, expenses and changes in fund balances and, if applicable, income, earnings, and changes in financial position) for such Fiscal Year, prepared in accordance with GAAP and certified by an Independent Accountant;

(b) a certificate of an Authorized Representative of the Institution that the insurance the Institution maintains complies with the provisions of Section 8.1, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Issuer and are in full force and effect and the evidence required by Section 8.1(f);

(c) copies of any (x) bills, invoices or other evidences of cost as shall have been incurred in connection with the Project Work, and (y) permits, authorizations and licenses from appropriate authorities relative to the occupancy, operation and use of the Facility;

(d) reserved;

(e) a certificate of an Authorized Representative of the Institution certifying either (x) the Institution did not take any action described in Section 3.5(a) resulting in the removal of Existing Facility Property having a value in the aggregate exceeding $250,000 during the preceding Fiscal Year or (y) the Institution did take action or actions described in Section 3.5(a) resulting in the removal of Existing Facility Property having a value in the aggregate exceeding $250,000 during the preceding Fiscal Year and the Institution complied with the provisions of Section 3.5(a);

(f) a certificate of an Authorized Representative of the Institution as to whether or not, as of the close of the immediately preceding Fiscal Year, and at all times during such Fiscal Year, the Institution was in compliance with all the provisions that relate to the Institution in this Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he or she shall disclose

in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default hereunder, and any action proposed to be taken by the Institution with respect thereto;

(g) upon twenty (20) days prior request by the Issuer and the Bondholder Representative, a certificate of an Authorized Representative of the Institution either stating that to the knowledge of such Authorized Representative after due inquiry there is no default under or breach of any of the terms hereof that exists or, with the passage of time or the giving of notice or both, would constitute an Event of Default hereunder, or specifying each such default or breach of which such Authorized Representative has knowledge;

(h) employment information requested by the Issuer pursuant to Section 8.7(b); and

(i) information regarding non-discrimination requested by the Issuer pursuant to Section 8.8.

Section 8.16 **Periodic Reporting Information for the Issuer**.

(a) The Institution shall not assert as a defense to any failure of the Institution to deliver to the Issuer any reports specified in this Section 8.16 that the Institution shall not have timely received any of the forms from or on behalf of the Issuer unless, (x) the Institution shall have requested in writing such form from the Issuer not more than thirty (30) days nor less than fifteen (15) days prior to the date due, and (y) the Institution shall not have received such form from the Issuer at least one (1) Business Day prior to the due date. For purposes of this Section 8.16, the Institution shall be deemed to have "received" any such form if it shall have been directed by the Issuer to a website at which such form shall be available. In the event the Issuer, in its sole discretion, elects to replace one or more of the reports required by this Agreement with an electronic or digital reporting system, the Institution shall make its reports pursuant to such system.

(b) Annually, by August 1 of each year, commencing on the August 1 immediately following the Closing Date, until the termination of this Agreement, the Institution shall submit to the Issuer the Annual Employment and Benefits Report relating to the period commencing July 1 of the previous year and ending June 30 of the year of the obligation of the filing of such report, in the form prescribed by the Issuer, certified as to accuracy by an officer of the Institution. Upon termination of this Agreement, the Institution shall submit to the Issuer the Annual Employment and Benefits Report relating to the period commencing the date of the last such Report submitted to the Issuer and ending on the last payroll date of the preceding month in the form prescribed by the Issuer, certified as to accuracy by the Institution. Nothing herein shall be construed as requiring the Institution to maintain a minimum number of employees on its respective payroll.

(c) If there shall have been a tenant, other than the Institution, with respect to all or part of the Facility, at any time during the immediately preceding calendar year, the Institution shall file with the Issuer by the next following February 1, a certificate of an Authorized Representative of the Institution with respect to all tenancies in effect at the Facility, in the form prescribed by the Issuer.

(d) If there shall have been a subtenant, other than the Institution, with respect to all or part of the Facility, at any time during the twelve-month period terminating on the immediately preceding June 30, the Institution shall deliver to the Issuer by the next following August 1, a completed Subtenant's Employment and Benefits Report with respect to such twelve-month period, in the form prescribed by the Issuer

(e) If the Institution shall have had the benefit of a Business Incentive Rate at any time during the twelve-month period terminating on the immediately preceding June 30, the Institution shall deliver to the Issuer by the next following August 1, a completed report required by the Issuer in connection with the Business Incentive Rate with respect to such twelve-month period, in the form prescribed by the Issuer.

(f) The Institution shall deliver to the Issuer on August 1 of each year, commencing on the August 1 immediately following the Closing Date, a completed location and contact information report in the form prescribed by the Issuer.

Section 8.17 **Taxes, Assessments and Charges**.

(a) The Institution shall pay when the same shall become due all taxes and assessments, general and specific, if any, levied and assessed upon or against any property constituting a part of the Trust Estate, the Facility Realty or any part thereof, or interest of the Institution in the Facility, or against any of the loan payments or other payments or other amounts payable hereunder, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, and all water and sewer charges, special district charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities or other charges incurred in the occupancy, use, operation, maintenance or upkeep of the Facility Realty, all of which are herein called "**Impositions**". The Institution may pay any Imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance.

(b) In the event the Facility Realty is exempt from Impositions solely due to the Issuer's involvement with the Project and the Facility Realty, the Institution shall pay all Impositions to the appropriate taxing authorities equivalent to the Impositions that would have been imposed on the Facility Realty as if the Issuer had no involvement with the Project and the Facility Realty.

(c) The Institution may at its sole cost and expense contest (after prior written notice to the Issuer and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition, if

(i) such proceeding shall suspend the execution or enforcement of such Imposition against the Trust Estate, the Facility or any part thereof, or interest of the Institution in the Facility, or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document,

(ii) none of the Trust Estate, the Facility nor any part thereof or interest of the Institution in the Facility, or any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, would be in any danger of being sold, forfeited or lost,

(iii) none of the Institution, the Issuer or the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and

(iv) the Institution shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents.

Section 8.18 **Compliance with Legal Requirements**.

(a) The Institution shall not occupy, use or operate the Facility, or allow the Facility or any part thereof to be occupied, used or operated, for any unlawful purpose or in violation of any certificate of occupancy affecting the Facility or for any use which may constitute a nuisance, public or private, or make void or voidable any insurance then in force with respect thereto.

(b) At its sole cost and expense, the Institution shall promptly observe and comply with all applicable Legal Requirements (including, without limitation, as applicable, the LW Law, and the Earned Sick Time Act, constituting Chapter 8 of Title 20 of the New York City Administrative Code), whether foreseen or unforeseen, ordinary or extraordinary, that shall now or at any time hereafter be binding upon or applicable to the Institution, the Facility, any occupant, user or operator of the Facility or any portion thereof, and will observe and comply with all conditions, requirements, and schedules necessary to preserve and extend all rights, licenses, permits (including zoning variances, special exception and nonconforming uses), privileges, franchises and concessions. The Institution will not, without the prior written consent of the Trustee at the direction of the Bondholder Representative and the Issuer (which consents shall not be unreasonably withheld or delayed), initiate, join in or consent to any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Facility or any part thereof.

(c) The Institution may at its sole cost and expense contest in good faith the validity, existence or applicability of any of the matters described in Section 8.18(b) if (i) such contest shall not result in the Trust Estate, the Facility or any part thereof or interest of the Institution in the Facility, or any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, being in any danger of being sold, forfeited or lost, (ii) such contest shall not result in the Institution, the Issuer or the Trustee being in any danger of any civil or any criminal liability for failure to comply therewith, and (iii) the Institution shall have furnished such security, if any, as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents for failure to comply therewith.

Section 8.19 **Operation as Approved Facility**.

(a) The Institution will not take any action, or suffer or permit any action, if such action would cause the Facility not to be the Approved Facility.

(b) The Institution will not fail to take any action, or suffer or permit the failure to take any action, if such failure would cause the Facility not to be the Approved Facility

(c) The Institution will permit the Bondholder Representative, the Trustee and their duly authorized agents, at all reasonable times upon written notice to enter upon the Facility and to examine and inspect the Facility and exercise its rights hereunder, under the Indenture and under the other Security Documents with respect to the Facility. The Institution will further permit the Issuer, or its duly authorized agent, upon reasonable notice, at all reasonable times, to enter the Facility, but solely for the purpose of assuring that the Institution is operating the Facility, or is causing the Facility to be operated, as the Approved Facility consistent with the Approved Project Operations and with the corporate purposes of the Issuer

Section 8.20 **Restrictions on Dissolution, Sale and Merger**.

(a) The Institution covenants and agrees that at all times during the term of this Agreement, it will

(i) maintain its existence as a not-for-profit corporation constituting a Tax-Exempt Organization, ,

(ii) continue to be subject to service of process in the State,

(iii) continue to be organized under the laws of, or qualified to do business in, the State,

(iv) not liquidate, wind up, dissolve, sell or otherwise dispose of all or substantially all of its property, business or assets ("**Transfer**") remaining after the Closing Date, except as provided in Section 8.20(b),

(v) not consolidate with or merge into another Entity or permit one or more Entities to consolidate with or merge into it ("**Merge**" or "**Merger**"), except as provided in Section 8.20(b), and

(vi) not change or permit the change of any Principal of the Institution or a change in the relative Control of the Institution, of any of the existing Principals, except in each case as provided in Section 8.20(c).

(b) Notwithstanding Section 8.20(a), the Institution may Merge or participate in a Transfer with the consent of the Trustee (which consent shall be given at the direction of the Bondholder Representative who may give or withhold consent in their sole and absolute discretion) and if the following conditions are satisfied on or prior to the Merger or Transfer, as applicable:

(i) when the Institution is the surviving, resulting or transferee Entity,

(1) the Institution shall have a net worth (as determined by an Independent Accountant in accordance with GAAP) at least equal to that of the Institution immediately prior to such Merger or Transfer,

(2) the Institution shall continue to be a Tax-Exempt Organization,

(3) the Institution shall deliver to the Issuer and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Bonds to become includable in gross income for federal income tax purposes, and

(4) the Institution shall deliver to the Issuer a Required Disclosure Statement with respect to itself as surviving Entity in form and substance satisfactory to the Issuer; or

(ii) when the Institution is not the surviving, resulting or transferee Entity (the "**Successor Institution**"),

(1) the predecessor Institution (the "**Predecessor Institution**") shall not have been in default under this Agreement or under any other Project Document,

(2) the Successor Institution shall be a Tax-Exempt Organization and shall be solvent and subject to service of process in the State and organized under the laws of the State, or under the laws of any other state of the United States and duly qualified to do business in the State,

(3) the Successor Institution shall have assumed in writing all of the obligations of the Predecessor Institution contained in this Agreement and in all other Project Documents to which the Predecessor Institution shall have been a party,

(4) the Successor Institution shall have delivered to the Issuer a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion,

(5) each Principal of the Successor Institution shall have delivered to the Issuer a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion,

(6) the Successor Institution shall have delivered to the Issuer and the Trustee, in form and substance acceptable to the Issuer and the Trustee, an Opinion of Counsel to the effect that (y) this Agreement and all other Project Documents to which the Predecessor Institution shall be a party constitute the legal, valid and binding obligations of the Successor Institution and each is enforceable in accordance with their respective terms to the same extent as it was enforceable against the Predecessor Institution, and (z) such action does not legally impair the security for the Holders of the Bonds afforded by the Security Documents,

(7) the Successor Institution shall have delivered to the Issuer and the Trustee, in form and substance acceptable to the Issuer and the Trustee, an opinion of an Independent Accountant to the effect that the Successor Institution has a net worth (as determined in accordance with GAAP) after the Merger or Transfer at least equal to that of the Predecessor Institution immediately prior to such Merger or Transfer, and

(8) the Successor Institution delivers to the Issuer and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such action will not cause the interest on the Bonds to become includable in gross income for federal income tax purposes.

(c) If there is a change in Principals of the Institution, or a change in the Control of the Institution, the Institution shall deliver to the Issuer prompt written notice thereof (including all details that would result in a change to Exhibit D — "Principals of Institution") to the Issuer, the Bondholder Representative and the Trustee together with a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion.

(d) The Issuer acknowledges receipt of a Required Disclosure Statement relating to the Institution's proposed merger with the Staten Island Mental Health Society

Section 8.21 **Preservation of Exempt Status.** The Institution agrees that it shall:

(a) not perform any acts, enter into any agreements, carry on or permit to be carried on at the Facility, or permit the Facility to be used in or for any trade or business, which shall adversely affect the basis for its exemption under Section 501 of the Code;

(b) not use more than five percent (5%) of the proceeds of the Bonds, less the percentage of such proceeds used for Costs of Issuance, or permit the same to be used, directly or indirectly, in any trade or business that constitutes an unrelated trade or business as defined in Section 513(a) of the Code or in any trade or business carried on by any Person or Persons who are not governmental units or Tax-Exempt Organizations;

(c) not directly or indirectly use the proceeds of the Bonds to make or finance loans to Persons other than governmental units or Tax-Exempt Organizations, provided that no loan shall be made to another Tax-Exempt Organization unless such organization is using the funds for a purpose that is not an unrelated trade or business for either the Institution or the borrower;

(d) not take any action or 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 Issuer on the Bonds to be subject to Federal income tax in the hands of the Holders thereof; and

(e) use its best efforts to maintain the tax-exempt status of the Bonds.

Section 8.22 **Securities Law Status.** The Institution covenants that:

(a) the Facility shall be operated (y) exclusively for civic or charitable purposes and (z) not for pecuniary profit, all within the meaning, respectively, of the Securities Act and of the Securities Exchange Act,

(b) no part of the net earnings of the Institution shall inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act and of the Securities Exchange Act, and

(c) it shall not perform any act nor enter into any agreement which shall change such status as set forth in this Section.

Section 8.23 **Further Assurances.** The Institution will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments, conveyances, transfers and assurances, including Uniform Commercial Code financing statements, at the sole cost and expense of the Institution, as the Issuer or the Trustee deems reasonably necessary or advisable for the implementation, effectuation, correction, confirmation or perfection of this Agreement and any rights of the Issuer or the Trustee hereunder, under the Indenture or under any other Security Document.

Section 8.24 **Tax Certificate.**

(a) The Institution shall comply with all of the terms, provisions and conditions set forth in the Tax Certificate, including, without limitation, the making of any payments and filings required thereunder.

(b) Promptly following receipt of notice from the Trustee as provided in Section 5.07 of the Indenture that the amount on deposit in the Rebate Fund is less than the Rebate Amount, the Institution shall deliver the amount necessary to make up such deficiency to the Trustee for deposit in the Rebate Fund.

(c) The Institution agrees to pay all costs of compliance with the Tax Certificate and costs of the Issuer relating to any examination or audit of the Bonds by the Internal Revenue Service (including fees and disbursements of lawyers and other consultants).

Section 8.25 **Compliance with the Indenture.** The Institution will comply with the provisions of the Indenture applicable to the Institution. The Trustee shall have the power, authority, rights and protections provided in the Indenture. The Institution will use its best efforts to cause there to be obtained for the Issuer any documents or opinions of counsel required of the Issuer under the Indenture.

Section 8.26 **Reporting Information for the Trustee.**

(a) The Institution shall furnish or cause to be furnished to the Trustee and the Bondholder Representative:

(i) as soon as available and in any event within one hundred and fifty (150) days after the close of each Fiscal Year, a copy of the annual financial statements of the Institution, including balance sheets as at the end of each such Fiscal Year, and the related statements of income, balances, earnings, retained earnings and changes in financial position for each such Fiscal Year, as audited by the Institution's Independent Accountant and prepared in accordance with GAAP, and

(ii) as soon as available and in any event within forty-five (45) days after the close of each quarter of each Fiscal Year, a copy of the unaudited financial statements of the Institution, including balance sheets as at the end of such quarter, and the related statements of income, balances, earnings, retained and changes in financial position for such quarter, prepared in accordance with GAAP, certified by an Authorized Representative of the Institution.

(b) The Institution shall deliver to the Trustee and the Bondholder Representative with each delivery of annual financial statements required by Section 8.26(a)(i):

(i) a certificate of an Authorized Representative of the Institution:

(1) as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the Institution was in compliance with all the provisions which relate to the Institution in this Agreement and in any other Project Document to which it shall be a party, and

(2) as to whether or not a Determination of Taxability has occurred, and

(3) if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default or Determination of Taxability, he or she shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of

Default hereunder, and any action proposed to be taken by the Institution with respect thereto, and

(ii) a certificate of an Authorized Representative of the Institution that the insurance it maintains complies with the provisions of Section 8.1 of this Agreement and Section 3.11 of the Mortgage, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Issuer and the Trustee and are in full force and effect.

(c) In addition, upon twenty (20) days prior request by the Trustee, the Institution will execute, acknowledge and deliver to the Issuer, the Trustee and the Bondholder Representative a certificate of an Authorized Representative of the Institution either stating that to the knowledge of such Authorized Representative after due inquiry no default or breach exists hereunder or specifying each such default or breach of which such Authorized Representative has knowledge.

(d) The Institution shall immediately notify the Trustee and the Bondholder Representative of the occurrence of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Project Document. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice.

(e) The Institution shall deliver to the Trustee all insurance-related documents required by Sections 8.1(f)(i), 8.1(f)(ii), 8.1(f)(iii) and 8.1(g).

(f) The Trustee shall be under no obligation to review the financial statements received under this Section 8.26 for content and shall not be deemed to have knowledge of the contents thereof.

(g) The Institution shall not enter into any interest rate, payment or credit swap, or any similar agreement, without the consent of the Bondholder Representative.

Section 8.27 **Continuing Disclosure.** The Institution shall enter into and comply with and carry out all of the provisions of each continuing disclosure agreement entered into by the Institution with respect to the Bonds. 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 Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders), shall, upon receipt of reasonable indemnification for its fees and costs acceptable to it), and the Bondholder Representative or any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution to comply with its obligations under this Section 8.27. The Institution agrees that the Issuer shall have no continuing disclosure obligations.

Section 8.28 **Bondholder Representative Expenses.** The Institution shall pay the reasonable fees and expenses (including reasonable fees and expenses of counsel) of the Bondholder Representative, upon invoice, incurred in connection with the acceptance or administration of its rights and duties (on behalf of the Holders of the Bonds) under the Indenture, and in connection with any amendment, modification, supplement, consent or waiver with respect to or required under the Project Documents, or in connection with the enforcement thereof, except any such expense, disbursement or advance as may arise from its gross negligence, bad faith, or willful misconduct.

Section 8.29 **HireNYC Program**.

The Institution shall use its good faith efforts to participate in the hiring and workforce development goals of the HireNYC Program and shall perform the requirements of the HireNYC Program, all as set forth in Exhibit I. The Institution agrees to be bound by the provisions of the HireNYC Program set forth in Exhibit I, including without limitation, the payment of any liquidated damages and other enforcement provisions set forth therein.

Section 8.30 **Living Wage**.

(a) Institution acknowledges and agrees that it has received "financial assistance" as defined in the LW Law. Institution agrees to comply with all applicable requirements of the LW Law. Institution acknowledges that the terms and conditions set forth in this Section 8.30 are intended to implement the Mayor's Executive Order No. 7 dated September 30, 2014.

(b) The following capitalized terms shall have the respective meanings specified below for purposes hereof.

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

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

Comptroller means the Comptroller of The City of New York or his or her designee.

Concessionaire means a Person that has been granted the right by Institution, an Affiliate of Institution or any tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution to operate at the Facility Realty for the primary purpose of selling goods or services to natural persons at the Facility Realty.

Covered Counterparty means a Covered Employer whose Specified Contract is directly with Institution or one of its Affiliates to lease, occupy, operate or perform work at the Facility Realty.

Covered Employer means any of the following Persons. (a) Institution, (b) a Site Affiliate, (c) a tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution that leases any portion of the Facility Realty (or an Affiliate of any such tenant, subtenant, leaseholder or subleaseholder if such Affiliate has one or more direct Site Employees), (d) a Concessionaire that operates on any portion of the Facility Realty, and (e) a Person that contracts or subcontracts with any Covered Employer described in clauses (a), (b), (c) or (d) above to perform work for a period of more than ninety days on any portion of the Facility Realty, including temporary services or staffing agencies, food service contractors, and other on-site service contractors; provided, however, that the term "Covered Employer" shall not include (i) a Person of the type described in Section 6-134(d)(2), (3), (4) or (5) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered

Person operating on any portion of the Facility Realty if residential units comprise more than 75% of the total Facility Realty area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, or (vi) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

DCA means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

LW has the same meaning as the term "living wage" as defined in Section 6-134(b)(9) of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour ($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

LW Agreement means, with respect to any Covered Counterparty, an enforceable agreement in the form attached hereto as Exhibit J (except only with such changes as are necessary to make such Covered Counterparty the obligor thereunder).

LW Agreement Delivery Date means, with respect to any Covered Counterparty, the latest of (a) the effective date of such Covered Counterparty's Specified Contract, (b) the date that such Covered Counterparty becomes a Covered Employer at the Facility Realty and (c) the Closing Date.

LW Event of Default means the satisfaction of the following two conditions: (a) two or more LW Violation Final Determinations shall have been imposed against Institution or its Site Affiliates in respect of the direct Site Employees of Institution or its Site Affiliates in any consecutive six year period during the LW Term and (b) the aggregate amount of Owed Monies and Owed Interest paid or payable by Institution in respect of such LW Violation Final Determinations is in excess of the LW Violation Threshold in effect as of the date of the second LW Violation Final Determination. For the avoidance of doubt, the Owed Monies and Owed Interest paid or payable by Institution in respect of the Site Employees of a Covered Counterparty that is not an Affiliate of Institution (pursuant to Section 8.30(k)(v)) shall not count for purposes of determining whether the conditions in clauses (a) and (b) of the preceding sentence have been satisfied.

LW Law means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

LW Term means the period commencing on the Closing Date and ending on the later to occur of (a) the date on which Institution is no longer receiving financial assistance under this Agreement or (b) the date that is ten years after the Facility

commences operations.

LW Violation Final Determination has the meaning specified in Section 8.30(k)(i)(1), Section 8.30(k)(i)(2)(A) or Section 8.30(k)(i)(2)(B), as applicable.

LW Violation Initial Determination has the meaning specified in Section 8.30(k)(i)(2).

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

LW Violation Threshold means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

Owed Interest means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

Owed Monies means, as the context shall require, either (a) the total deficiency of LW required to be paid by Institution or a Site Affiliate in accordance with this Section 8.30 to Institution's or its Site Affiliate's (as applicable) direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis; or (b) if Institution or its Site Affiliate failed to obtain a LW Agreement from a Covered Counterparty as required under Section 8.30(f) below, the total deficiency of LW that would have been required to be paid under such Covered Counterparty's LW Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis, during the period commencing on the LW Agreement Delivery Date applicable to such Covered Counterparty and ending immediately prior to the execution and delivery by such Covered Counterparty of its LW Agreement (if applicable).

Qualified Workforce Program means a training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations and that has been determined to be a Qualified Workforce Program by the Director of the Mayor's Office of Workforce Development.

Site Affiliates means, collectively, all Affiliates of Institution that lease, occupy, operate or perform work at the Facility Realty and that have one or more direct Site Employees.

Site Employee means, with respect to any Covered Employer, any natural person who works at the Facility Realty and who is employed by, or contracted or subcontracted to work for, such Covered Employer, including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work

through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis; provided that the term "Site Employee" shall not include any natural person who works less than seventeen and a half (17.5) hours in any consecutive seven day period at the Facility Realty unless the primary work location or home base of such person is at the Facility Realty (for the avoidance of doubt, a natural person who works at least seventeen and a half (17.5) hours in any consecutive seven day period at the Facility Realty shall thereafter constitute a Site Employee).

Small Business Cap means three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with the adjustment to the "living wage rate" component of the LW using the methodology set forth in Section 6-134(b)(9) of the New York City Administrative Code.

Specified Contract means, with respect to any Person, the principal written contract that makes such Person a Covered Employer hereunder.

(c) During the LW Term, if and for so long as Institution is a Covered Employer, Institution shall pay each of its direct Site Employees no less than an LW. During the LW Term, Institution shall cause each of its Site Affiliates that is a Covered Employer to pay their respective Site Employees no less than an LW.

(d) During the LW Term, if and for so long as Institution is a Covered Employer (or if and so long as a Site Affiliate is a Covered Employer, as applicable), Institution shall (or shall cause the applicable Site Affiliate to, as applicable), on or prior to the day on which each direct Site Employee of Institution or of a Site Affiliate begins work at the Facility Realty, (i) post a written notice detailing the wages and benefits required to be paid to Site Employees under this Section 8.30 in a conspicuous place at the Facility Realty that is readily observable by such direct Site Employee and (ii) provide such direct Site Employee with a written notice detailing the wages and benefits required to be paid to Site Employees under this Section 8.30. Such written notice shall also provide a statement advising Site Employees that if they have been paid less than the LW they may notify the Comptroller and request an investigation. Such written notice shall be in English and Spanish.

(e) During the LW Term, if and for so long as Institution is a Covered Employer (or if and for so long as a Site Affiliate is a Covered Employer, as applicable), Institution shall not (or the applicable Site Affiliate shall not, as applicable) take any adverse employment action against any Site Employee for reporting or asserting a violation of this Section 8.30.

(f) During the LW Term, regardless of whether Institution is a Covered Employer, Institution shall cause each Covered Counterparty to execute an LW Agreement on or prior to the LW Agreement Delivery Date applicable to such Covered Counterparty. Institution shall deliver a copy of each Covered Counterparty's LW Agreement to the Issuer, the DCA and the Comptroller at the notice address specified in Section 12.5 and promptly upon written request. Institution shall retain copies of each Covered Counterparty's LW Agreement until six (6) years after the expiration or earlier termination of such Covered Counterparty's Specified Contract

(g) During the LW Term, in the event that an individual with managerial authority at Institution or at a Site Affiliate receives a written complaint from any Site Employee (or such individual otherwise obtains actual knowledge) that any Site Employee has been paid less than an LW, Institution shall deliver written notice to the Issuer, the DCA and the Comptroller within 30 days thereof.

(h) Institution hereby acknowledges and agrees that the City, the DCA and the Comptroller are each intended to be third party beneficiaries of the terms and provisions of this Section 8.30. Institution hereby acknowledges and agrees that the DCA, the Comptroller and the Issuer shall each have the authority and power to enforce any and all provisions and remedies under this Section 8.30 in accordance with paragraph (k) below. Institution hereby agrees that the DCA, the Comptroller and the Issuer may bring an action for damages (but not in excess of the amounts set forth in paragraph (k) below), injunctive relief or specific performance or any other non-monetary action at law or in equity, in each case subject to the provisions of paragraph (k) below, as may be necessary or desirable to enforce the performance or observance of any obligations, agreements or covenants of Institution (or of any Site Affiliate) under this Section 8.30. Notwithstanding anything herein to the contrary, no default or Event of Default under this Agreement shall occur by reason of Institution's failure to perform or observe any obligation, covenant or agreement contained in this Section 8.30 unless and until an LW Event of Default shall have occurred. The agreements and acknowledgements of Institution set forth in this Section 8.30 may not be amended, modified or rescinded by Institution without the prior written consent of the Issuer or the DCA.

(i) No later than 30 days after Institution's receipt of a written request from the Issuer, the DCA and/or the Comptroller, Institution shall provide to the Issuer, the DCA and the Comptroller (i) a certification stating that all of the direct Site Employees of Institution and its Site Affiliates are paid no less than an LW (if such obligation is applicable hereunder) and stating that Institution and its Site Affiliates are in compliance with this Section 8.30 in all material respects, (ii) a written list of all Covered Counterparties, together with the LW Agreements of such Covered Counterparties, (iii) certified payroll records in respect of the direct Site Employees of Institution or of any Site Affiliate (if applicable), and/or (iv) any other documents or information reasonably related to the determination of whether Institution or any Site Affiliate is in compliance with their obligations under this Section 8.30.

(j) Annually, by August 1 of each year during the LW Term, Institution shall (i) submit to the Issuer a written report in respect of employment, jobs and wages at the Facility Realty as of June 30 of such year, in a form provided by the Issuer to all projects generally, and (ii) submit to the Issuer and the Comptroller the annual certification required under Section 6-134(f) of the LW Law (if applicable).

(k) Violations and Remedies.

(i) If a violation of this Section 8.30 shall have been alleged by the Issuer, the DCA and/or the Comptroller, then written notice will be provided to Institution for such alleged violation (an "**LW Violation Notice**"), specifying the nature of the alleged violation in such reasonable detail as is known to the Issuer, the DCA and the Comptroller (the "**Asserted LW Violation**") and specifying the remedy required under Section 8.30(k)(ii), (iii), (iv), (v) and/or (vi) (as applicable) to cure the Asserted LW Violation (the "**Asserted Cure**"). Upon Institution's receipt of the LW Violation Notice, Institution may either:

(1) Perform the Asserted Cure no later than 30 days after its receipt of the LW Violation Notice (in which case a "**LW Violation Final Determination**" shall be deemed to exist), or

(2) Provide written notice to the Issuer, the DCA and the Comptroller indicating that it is electing to contest the Asserted LW Violation and/or the Asserted Cure, which notice shall be delivered no later than 30 days after its receipt of the LW Violation Notice Institution shall bear the burdens of proof and persuasion and

shall provide evidence to the DCA no later than 45 days after its receipt of the LW Violation Notice. The DCA shall then, on behalf of the City, the Issuer and the Comptroller, make a good faith determination of whether the Asserted LW Violation exists based on the evidence provided by Institution and deliver to Institution a written statement of such determination in reasonable detail, which shall include a confirmation or modification of the Asserted LW Violation and Asserted Cure (such statement, a "**LW Violation Initial Determination**"). Upon Institution's receipt of the LW Violation Initial Determination, Institution may either:

(A) Accept the LW Violation Initial Determination and shall perform the Asserted Cure specified in the LW Violation Initial Determination no later than 30 days after its receipt of the LW Violation Initial Determination (after such 30 day period has lapsed, but subject to clause (B) below, the LW Violation Initial Determination shall be deemed to be a "**LW Violation Final Determination**"), or

(B) Contest the LW Violation Initial Determination by filing in a court of competent jurisdiction or for an administrative hearing no later than 30 days after its receipt of the LW Violation Initial Determination, in which case, Institution's obligation to perform the Asserted Cure shall be stayed pending resolution of the action. If no filing in a court of competent jurisdiction or for an administrative hearing is made to contest the LW Violation Initial Determination within 30 days after Institution's receipt thereof, then the LW Violation Initial Determination shall be deemed to be a "**LW Violation Final Determination**". If such a filing is made, then a "**LW Violation Final Determination**" will be deemed to exist when the matter has been finally adjudicated. Institution shall perform the Asserted Cure (subject to the judicial decision) no later than 30 days after the LW Violation Final Determination.

(ii) For the first LW Violation Final Determination imposed on Institution or any Site Affiliate in respect of any direct Site Employees of Institution or of a Site Affiliate, at the direction of the Issuer or the DCA (but not both), (A) Institution shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Institution or of a Site Affiliate to such direct Site Employees; and/or (B) in the case of a violation that does not result in monetary damages owed by Institution, Institution shall cure, or cause the cure of, such non-monetary violation.

(iii) For the second and any subsequent LW Violation Final Determinations imposed on Institution or any Site Affiliate in respect of any direct Site Employees of Institution or of a Site Affiliate, at the direction of the Issuer or the DCA (but not both), (A) Institution shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Institution or of a Site Affiliate to such direct Site Employees, and Institution shall pay fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee; and/or (B) in the case of a violation that does not result in monetary damages owed by Institution, Institution shall cure, or cause the cure of, such non-monetary violation.

(iv) For the second and any subsequent LW Violation Final Determinations imposed on Institution or any Site Affiliate in respect of any direct Site Employees of Institution or of a Site Affiliate, if the aggregate amount of Owed Monies and Owed Interest paid or payable by Institution in respect of the direct Site Employees of Institution or of a Site Affiliate is in excess of the LW Violation Threshold for all past and present LW Violation Final

Determinations imposed on Institution or any Site Affiliate, then in lieu of the remedies specified in subparagraph (iii) above and at the direction of the Issuer or the DCA (but not both), Institution shall pay (A) two hundred percent (200%) of the Owed Monies and Owed Interest in respect of the present LW Violation Final Determination to the affected direct Site Employees of Institution or of a Site Affiliate, and (B) fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee.

(v) If Institution fails to obtain an LW Agreement from its Covered Counterparty in violation of paragraph (f) above, then at the discretion of the Issuer or the DCA (but not both), Institution shall be responsible for payment of the Owed Monies, Owed Interest and other payments described in subparagraphs (ii), (iii) and (iv) above (as applicable) as if the direct Site Employees of such Covered Counterparty were the direct Site Employees of Institution.

(vi) Institution shall not renew the Specified Contract of any specific Covered Counterparty or enter into a new Specified Contract with any specific Covered Counterparty if both (A) the aggregate amount of Owed Monies and Owed Interest paid or payable by such Covered Counterparty in respect of its direct Site Employees for all past and present LW Violation Final Determinations (or that would have been payable had such Covered Counterparty entered into an LW Agreement) is in excess of the LW Violation Threshold and (B) two or more LW Violation Final Determinations against such Covered Counterparty (or in respect of the direct Site Employees of such Covered Counterparty) occurred within the last 6 years of the term of the applicable Specified Contract (or if the term thereof is less than 6 years, then during the term thereof); provided that the foregoing shall not preclude Institution from extending or renewing a Specified Contract pursuant to any renewal or extension options granted to the Covered Counterparty in the Specified Contract as in effect as of the LW Agreement Delivery Date applicable to such Covered Counterparty.

(vii) It is acknowledged and agreed that (A) other than as set forth in Section 8.2, the sole monetary damages that Institution may be subject to for a violation of this Section 8.30 are as set forth in this paragraph (k), and (B) in no event will the Specified Contract between Institution and a given Covered Counterparty be permitted to be terminated or rescinded by the Issuer, the DCA or the Comptroller by virtue of violations by Institution or another Covered Counterparty.

(l) The terms and conditions set forth in this Section 8.30 shall survive the expiration or earlier termination of this Agreement.

Section 8.31 **Limitations on Additional Indebtedness.** Without the prior written approval of the Bondholder Representative, the Institution shall not incur or become liable for any Indebtedness, except as follows (collectively, "Permitted Indebtedness"):

(a) Indebtedness constituting Permitted Encumbrances but not including Indebtedness described in (ix) of the definition of Permitted Encumbrance and the existing Indebtedness set forth in Exhibit O – "Institution's Existing Indebtedness" hereto.

(b) The Institution may incur Indebtedness in any amount, for any capital or operating purpose of the Institution and with any maturity, if, prior to incurrence of such Indebtedness, the Institution delivers to the Bondholder Representative a Certificate of Authorized Representative of the Institution stating that

(i) there currently exists no Event of Default; and

(ii) based on the proposed date of incurrence of such Indebtedness the Additional Indebtedness Debt Service Coverage Ratio is not less than 125% (as calculated in good faith by the Institution and by the Bondholder Representative); and

(iii) based on the proposed date of incurrence of such Indebtedness the Liquidity to Debt Ratio is not less than 0.50:1.

(c) Without regard to the provisions of subsection (b), the Institution may incur Indebtedness for the purpose of providing funds to pay for capital improvements to the Institution's operating rooms and supporting facilities, if prior to the incurrence of such Indebtedness:

(i) the Institution delivers to the Bondholder Representative a Certificate of Authorized Representative of the Institution stating that:

(1) there currently exists no Event of Default; and

(2) the amount of such Indebtedness, together with the original principal amount of all other Indebtedness previously incurred in accordance with this subsection does not exceed $40,000,000; and

(3) based on the proposed date of incurrence of such Indebtedness the Additional Indebtedness Debt Service Coverage Ratio is not less than 115% (as calculated in good faith by the Institution and by the Bondholder Representative); and

(ii) the Institution makes a written offer to the Initial Bondholder of a right-of-first-refusal to purchase such Indebtedness or the Bonds secured by such Indebtedness.

(d) Without regard to the provisions of subsection (b), the Institution may incur Indebtedness described in (i) or (ii) , below, provided that the amount of such Indebtedness, together with all other Indebtedness previously incurred in accordance with this subsection does not exceed the greater of $12,000,000 or 10% of the principal amount of all outstanding Indebtedness of the Institution:

(i) Indebtedness up to a principal amount outstanding at any time not in excess of $5,000,000 that is:

(1) Indebtedness that is not secured by a Lien on any asset of the Institution and/or,

(2) Short-Term Indebtedness; and

(ii) Indebtedness secured by a purchase money security interest in machinery and/or equipment acquired with the proceeds of such Indebtedness. and

(iii) prior to incurring any Indebtedness pursuant to this Section 8.31(d), an Authorized Representative of the Institution shall deliver to the Trustee and the Bondholder Representative a certificate of compliance with this Section 8.31(d)

(e) Notwithstanding anything in this Agreement to the contrary, the Institution shall not be permitted to incur any Indebtedness if there has been an Event of Default which is continuing.

(f) The Initial Bondholder acknowledges the Investor's Bank Revolving Line of Credit which would be taken into account for purposes of the amount limitation in subsection (d)(i)(2).

Section 8.32 Debt Service Coverage Ratio

(a) Commencing with the Fiscal Year ending December 31, 2021 and continuing each Fiscal Year for so long as the Bonds are Outstanding, the Institution covenants to comply with the Debt Service Coverage Ratio Requirement for such Fiscal Year. The Institution shall no later than sixty (60) days after each Fiscal Year End Date, commencing with the Fiscal Year End Date of December 31, 2021, deliver to the Bondholder Representative a Certificate of Authorized Representative of the Institution (a) setting forth the Debt Service Coverage Ratio for the immediately preceding Fiscal Year and the calculation of such Debt Service Coverage Ratio, together with such documentation as is required to confirm such calculation, and (b) certifying whether or not the Debt Service Coverage Ratio Requirement for such Fiscal Year has been met. The Institution shall provide such additional information as may be reasonably requested by the Bondholder Representative to confirm such Debt Service Coverage Ratio and whether such Debt Service Coverage Ratio has been met.

(b) If the Debt Service Coverage Ratio Requirement for any such Fiscal Year is not met, the Institution shall immediately retain a Consultant, approved in writing by the Bondholder Representative, to submit a written report and make recommendations with respect to the rates, fees, and other charges relating to the Institution's operations and with respect to improvements or changes in the operations and scope of the services delivered by the Institution so as to permit the Institution to comply with the Debt Service Coverage Ratio Requirement for each subsequent Fiscal Year, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Institution. The Institution shall cause a copy of such report to be sent to Bondholder Representative at the same time it is sent to the Institution. The Institution shall follow the recommendations of the Consultant to the extent permitted by law. At least quarterly, following the submission of its initial report, the Consultant shall submit to Bondholder Representative progress report(s) indicating whether or not the recommendations contained in its initial report are being complied with. If the Institution continuously complies with the recommendations of the Consultant, failure to meet the Debt Service Coverage Ratio Requirement for any Fiscal Year covered by such recommendations will not constitute an Event of Default hereunder, except as provided in Section 9.1 hereof.

Section 8.33 Days Cash on Hand.

(a) The Institution covenants that it shall meet the Days Cash on Hand Requirement for each Fiscal Year.

(b) The Institution covenants that no later than sixty (60) days after each Liquidity Testing Date, commencing with the Liquidity Testing Date of December 31, 2018, deliver to the Bondholder Representative a Certificate of Authorized Representative of the Institution (a) setting forth the Days Cash on Hand for the immediately preceding Liquidity Testing Date and the calculation of such Days Cash on Hand, together with such documentation as is required to confirm such calculation, and (b) certifying whether or not the Days Cash on Hand Requirement for such Liquidity Testing Date has been met. The Institution shall provide such additional information as may be reasonably requested by the Bondholder Representative to confirm such Days Cash on Hand and whether such Days Cash on Hand Requirement has been met. For the Liquidity Testing Date of December 31, 2021, and each Liquidity Testing Date thereafter, the Institution shall not, without the Bondholder Representative's prior written consent, draw on any revolving loan, line of credit or other credit facility in order to satisfy the Days Cash on Hand Requirement

(c) If the Institution fails to meet the Days Cash on Hand Requirement for any Liquidity Testing Date, the Institution shall immediately retain a Consultant, approved in writing by the Bondholder Representative, to make recommendations with respect to the rates, fees and other charges relating to the Institution's operations and with respect to improvements or changes in the operations and scope of the services delivered by the Institution so as to permit the Institution to comply with the Days Cash on Hand Requirement for each subsequent Liquidity Testing Date. A copy of the Consultant's report and recommendations, if any, shall be filed by the Institution with Bondholder Representative within sixty (60) days after the date such Consultant is retained. The Institution shall follow each recommendation of the Consultant applicable to it to the extent permitted by applicable law. At least quarterly, following the submission of its initial report, the Consultant shall submit to Bondholder Representative progress report(s) indicating whether or not the recommendations contained in its initial report are being complied with. If the Institution continuously complies with the recommendations of the Consultant, failure to meet the Days Cash on Hand Requirement for any Liquidity Testing Date covered by such recommendations will not constitute an Event of Default hereunder, except as provided in Section 9.1 hereof.

(d) The Institution shall not draw on revolving loan agreements or lines of credit or any other credit facilities in order to satisfy the Days Cash-on-Hand Requirement for any Fiscal Year after the Fiscal Year ending December 31, 2020, without the prior written consent of the Bondholder Representative.

Section 8.34 **Incorporation of Additional Collateral and Covenants.** In the event that the Institution shall, directly or indirectly, incur, enter into or otherwise consent to any Indebtedness payable to any Person, or any amendment thereto, which provides such Person with any financial covenant, or security interest in or pledge of any asset or proceeds now owned or hereafter acquired by the Institution in addition to those provided in the Indenture and this Agreement or more favorable to such Person or other counterparty under such Indebtedness than the corresponding provisions of the Security Documents, the Institution shall provide the Bondholder Representative with a copy of each contract, agreement or instrument pursuant to which such Indebtedness is payable or amendment and the financial covenant, security interest pledge shall automatically be deemed to be incorporated into the Security Documents and the Bondholders, including the Initial Bondholder, shall have the benefits of such financial covenant, security interest or pledge (for so long as such Indebtedness remains outstanding) as if specifically set forth herein and such financial covenant shall be for the benefit of the Bondholders, including the Initial Bondholder and shall be governed by the rights and remedies in the Security Documents. Upon the written request of the Bondholder Representative, the Institution, the Issuer and the Trustee shall promptly enter into amendments to the Security Documents to reflect such financial covenant(s), security interest or pledge that has been so automatically incorporated therein. Notwithstanding the above, this provision shall not apply: (i) any purchase money indebtedness incurred pursuant to this Section 8.31(d) and (ii) to any additional financial covenant, security interest or pledge if including such financial covenant, security interest or pledge herein would cause (a) interest on any of the tax-exempt Bonds to be included in gross income for federal income tax purposes, (b) the Institution to be required to restrict the yield on any part of its investments or property, or (c) any rebate liability with respect to earnings on any of the Institution's investments.

Section 8.35 **Deposit Account Control Agreement**. The Institution hereby covenants and agrees that it shall enter into the Deposit Account Control Agreement no later than December 31, 2019

Section 8.36 **Bond Rating.** The Institution hereby covenants and agrees that it will, at the request of Bondholder Representative or the Majority Holders, apply for a rating on the Bonds from a Rating Agency acceptable to Bondholder Representative, and will update the Limited Offering Memorandum issued by the Institution and the Issuer in connection with the issuance of the Bonds. The

Bondholder Representative or the Majority Holders shall not make such request more frequently than (a) one time during the first two years after the Closing Date; and (b) from and after the first two years after the Closing Date, one time every other year.

Section 8.37 **Surety Bonds.** The Institution shall deliver to the Issuer and the Trustee valid and executed payment and performance bonds, in a form approved by Bondholder Representative.

Section 8.38 **Quarterly Conference Calls.** So long as the Bonds are unrated or rated below a rating of Baa2/BBB, or the equivalent, by a Rating Agency, then at the request of the Bondholder Representative, or the Majority Holders, the Institution shall, within fifteen (15) days of such request, organize and hold a quarterly conference call to discuss the Institution's recent financing and operating results and related matters with the Bondholder Representative, or such Majority Holders, as applicable, and the interested Holders of the Outstanding Bonds. The Institution shall cause a recording of any such conference call to be posted on EMMA.

Section 8.39 **Meetings of the Board of Trustees.** The Institution hereby authorizes and agrees that the Bondholder Representative may attend, as an observer, any meetings of the Institution's Board of Trustees.

Section 8.40 **Additional Mortgage Liens and Related Matters.** (a) The Institution shall, within ninety (90) days of the Closing Date, grant to the Trustee to secure the Loan, mortgage liens (having terms in form and substance comparable to the terms of the Mortgage and approved by the Bondholder Representative) in, and security interests in its fee and leasehold interest in 669 Castleton Avenue, Staten Island, New York and 800 Castleton Avenue, Staten Island, New York.

(b) The Institution shall, within ninety (90) days of Closing Date (i) enter into an environmental indemnity agreement in substantially the form set forth in Exhibit P — "Form of Environmental Indemnity Agreement" with regards to 669 Castleton Avenue, Staten Island, New York and 800 Castleton Avenue, Staten Island, New York; and (ii) deliver to the Trustee, at the Institution's sole cost and expense, a revised mortgagee title insurance policy, approved by the Issuer, the Trustee and the Bondholder Representative, in an amount not less than the Authorized Principal Amount of the Initial Bonds, insuring the Trustee's interest under the Mortgage as a holder of a mortgage lien on the Mortgaged Property (including 669 Castleton Avenue, Staten Island, New York and 800 Castleton Avenue, Staten Island, New York), subject only to Permitted Encumbrances. Such revised title policy shall conform to the requirements set forth in Section 3.7 hereof. Further any proceeds of such revised title policy shall be governed by Section 3.7 hereof. In connection with clauses (i) and (ii) above, the Institution shall cause to be delivered an opinion of its counsel, addressed to the Trustee, the Issuer and the Bondholder Representative, in form and substance reasonably satisfactory to the Issuer and the Bondholder Representative.

Section 8.41 **Construction Disbursement and Monitoring Agreement.** The Institution shall enter into a Construction Disbursement and Monitoring Agreement in substantially the form set forth in Exhibit M — "Form of Construction Disbursement and Monitoring Agreement", with such changes thereto as reasonably agreed upon by the Institution and the Bondholder Representative, at the time of execution and delivery of the guaranteed maximum price contract for the Cogeneration Facility Project Work and the Emergency Department Project Work.

Section 8.42 **Guaranteed Maximum Price Contract and Certificate of Need.** The Institution shall enter into a guaranteed maximum price contract incorporating by reference or otherwise the insurance requirements of Section 8.1 hereof pertaining to insurance during periods of construction and shall obtain a certificate of need approval for the Emergency Department Project Work no later than

six (6) months from the Closing Date and deliver copies of the same to the Issuer, the Trustee and the Bondholder Representative within five (5) business days of receipt thereof. Provided further that no requisitions shall be made from the Project Fund to pay for hard costs of construction related to Project Costs in connection with the Cogeneration Facility Project Work (except those Project Costs that are approved and part of the initial requisition from the Project Fund delivered on the Closing Date and soft costs related to such projects) until the date the guaranteed maximum price contract is delivered and no requisitions shall be made from the Project Fund to pay for hard costs of construction related to Project Costs in connection with the Emergency Department Project Work (except those Project Costs that are approved and part of the initial requisition from the Project Fund delivered on the Closing Date and soft costs related to such projects) until the date the guaranteed maximum price contract and certificate of need are delivered.

Section 8.43 **Additional Title Matters.** Within sixty (60) days of the Closing Date, the Institution will obtain and deliver (i) to the Issuer and the Bondholder Representative a title report (in form and substance acceptable to the Issuer) reflecting all matters of record with respect to 669 Castleton Avenue, Staten Island, New York and 800 Castleton Avenue, Staten Island, New York; (ii) to the Issuer and the Bondholder Representative a full set of municipal department search results showing only Permitted Encumbrances; and (iii) to the Issuer, the Trustee and the Bondholder Representative a current or updated survey of 669 Castleton Avenue, Staten Island, New York and 800 Castleton Avenue, Staten Island, New York, certified to the Trustee, the Issuer and the title company issuing the revised title insurance policy required by Section 8.40(b)(ii) hereof.

ARTICLE IX

REMEDIES AND EVENTS OF DEFAULT

Section 9.1 **Events of Default.** Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Institution to pay any loan payment that has become due and payable by the terms of Section 4.3(a) or (e) which results in an Event of Default under the Indenture;

(b) Failure of the Institution to pay any amount (other than as set forth in Section 9.1(a)) that has become due and payable or to observe and perform any covenant, condition or agreement on its part to be performed under Sections 8.1, 8.2, 8.3, 8.9, 8.11, 8.17, 8.18, 8.21, 8.22, 8.26, 8.31, 8.32, 8.33, 8.34, 9.7, 11.2, 11.3 or 11.4 or Article VI and continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Institution specifying the nature of such failure by the Issuer or the Trustee or the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders); provided however, if the default is not capable of being cured within thirty (30) days and the Institution is proceeding in good faith to cure such default, then within ninety (90) days,

(c) Failure of the Institution to observe and perform any covenant, condition or agreement on its part to be performed under Sections 8.13 or 8.20;

(d) Failure of the Institution to observe and perform any covenant, condition or agreement hereunder on its part to be performed (except as set forth in Section 9.1(a), (b) or (c)) and (i) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Institution specifying the nature of same by the Issuer or the Trustee or the Bondholder Representative (or, if no Bondholder Representative exists, the Majority Holders), or (ii) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Institution

fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within sixty (60) days of delivery of said notice;

(e) The Institution shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner or acquiesce in writing to, any petition filed against itself in an involuntary case under the Federal Bankruptcy Code, (vii) take any action for the purpose of effecting any of the foregoing, or (viii) be adjudicated a bankrupt or insolvent by any court;

(f) A proceeding or case shall be commenced, without the application or consent of the Institution, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Institution or of all or any substantial part of its assets, or (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) days; or any order for relief against the Institution shall be entered in an involuntary case under such Bankruptcy Code; the terms "dissolution" or "liquidation" of the Institution as used above shall not be construed to prohibit any action otherwise permitted by Section 8.20;

(g) Any representation or warranty made by the Institution (i) in the application and related materials submitted to the Issuer or the Underwriter of the Bonds for approval of the Project or its financing, or (ii) herein or in any other Project Document, or (iii) in the Letter of Representation and Indemnity Agreement, or (iv) in the Tax Certificate, or (v) by or on behalf of the Institution or any other Person in any Required Disclosure Statement, or (vi) in any report, certificate, financial statement or other instrument furnished pursuant hereto or any of the foregoing, shall in any case prove to be false, misleading or incorrect in any material respect as of the date made;

(h) The commencement of proceedings to appoint a receiver or to foreclose any mortgage lien on or security interest in the Facility including the Mortgage;

(i) An "Event of Default" or uncured default under the Indenture or under any other Project Document shall occur and be continuing.

(j) The occurrence of an LW Event of Default.

(k) Failure of the Institution to pay the amount required of it under Section 4.3(a)(vi) when required thereunder.

(l) A Debt Service Coverage Ratio of less than 1.00 as of any Fiscal Year.

(m) Days Cash on Hand of less than thirty (30) days as of any Liquidity Testing Date.

Section 9.2 **Remedies on Default.** (a) Whenever any Event of Default referred to in Section 9.1 shall have occurred and be continuing, the Issuer, or the Trustee where so provided, may, take any one or more of the following remedial steps:

(i) The Trustee, as and to the extent provided in Article VIII of the Indenture, may cause all principal installments of loan payments payable under Section 4.3(a) until the Bonds are no longer Outstanding to be immediately due and payable, whereupon the same, together with the accrued interest thereon, shall become immediately due and payable; provided, however, that upon the occurrence of an Event of Default under Section 9.1(e) or (f), all principal installments of loan payments payable under Section 4.3(a) until the Bonds are no longer Outstanding, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of the Issuer, the Trustee, the Holders of the Bonds or any other Person being a condition to such acceleration;

(ii) The Issuer or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the loan payments then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Institution under this Agreement; and

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

(b) Upon the occurrence of a default with respect to any of the Issuer's Reserved Rights, the Issuer, without the consent of the Trustee or any other Person, may proceed to enforce the Issuer's Reserved Rights by

(i) bringing an action for damages, injunction or specific performance, and/or

(ii) taking whatever action at law or in equity as may appear necessary or desirable to collect payment of amounts due by the Institution under the Issuer's Reserved Rights or to enforce the performance or observance of any obligations, covenants or agreements of the Institution under the Issuer's Reserved Rights.

(c) No action taken pursuant to this Section 9.2 or by operation of law or otherwise shall, except as expressly provided herein, relieve the Institution from the Institution's obligations hereunder, all of which shall survive any such action.

Section 9.3 **Bankruptcy Proceedings.** In case proceedings shall be pending for the bankruptcy or for the reorganization of the Institution under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee (other than the Trustee under the Indenture) shall have been appointed for the property of the Institution or in the case of any other similar judicial proceedings relative to the Institution or the creditors or property of the Institution, then the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Agreement and the Promissory Note, irrespective of whether the principal of the Bonds (and the loan payments payable pursuant to the Promissory Note and Section 4.3(a)) shall have been accelerated by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand for payment hereunder or thereunder, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Institution, the creditors or property of the Institution, and to collect and receive any moneys or other property

payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its charges and expenses. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including expenses and fees of counsel incurred by it up to the date of such distribution.

Section 9.4 **Remedies Cumulative.** The rights and remedies of the Issuer or the Trustee under this Agreement shall be cumulative and shall not exclude any other rights and remedies of the Issuer or the Trustee allowed by law with respect to any default under this Agreement. Failure by the Issuer or the Trustee to insist upon the strict performance of any of the covenants and agreements herein set forth or to exercise any rights or remedies upon default by the Institution hereunder shall not be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce by mandatory injunction, specific performance or other appropriate legal remedy the strict compliance by the Institution with all of the covenants and conditions hereof, or of the rights to exercise any such rights or remedies, if such default by the Institution be continued or repeated.

Section 9.5 **No Additional Waiver Implied by One Waiver.** In the event any covenant or agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the party making such waiver. No course of dealing between the Issuer, the Bondholder Representative and/or the Trustee and the Institution or any delay or omission on the part of the Issuer and/or the Trustee in exercising any rights hereunder or under the Indenture or under any other Security Document shall operate as a waiver. To the extent permitted by applicable law, the Institution hereby waives the benefit and advantage of, and covenants not to assert against the Issuer or the Trustee, any valuation, inquisition, stay, appraisement, extension or redemption laws now existing or which may hereafter exist.

Section 9.6 **Effect on Discontinuance of Proceedings.** In case any proceeding taken by the Issuer or the Trustee under the Indenture or this Agreement or under any other Security Document on account of any Event of Default hereunder or thereunder shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer or the Trustee, then, and in every such case, the Issuer, the Trustee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder and thereunder, and all rights, remedies, powers and duties of the Issuer and the Trustee shall continue as in effect prior to the commencement of such proceedings.

Section 9.7 **Agreement to Pay Fees and Expenses of Attorneys and Other Consultants.** In the event the Institution should default under any of the provisions of this Agreement, and the Issuer or the Trustee should employ outside attorneys or other consultants or incur other expenses for the collection of loan payments or other amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Institution herein contained or contained in any other Security Document, the Institution agrees that it will on demand therefor pay to the Issuer or the Trustee, as the case may be, the reasonable fees and disbursements of such attorneys or other consultants and such other expenses so incurred.

Section 9.8 **Certain Continuing Representations.** If at any time during the term of this Agreement, any Conduct Representation made by the Institution would, if made on any date while Bonds are Outstanding and deemed made as of such date, be false, misleading or incorrect in any material respect, then, the Institution shall be deemed to be in default under this Agreement unless the Issuer, with the written approval of the Bondholder Representative, shall, upon written request by the Institution, either waive such default in writing or consent in writing to an exception to such representation or warranty so that such representation or warranty shall no longer be false, misleading or incorrect in a

material respect. Upon the occurrence of any such default, the Issuer shall have the right to require the redemption of the Bonds in accordance with Section 11.3(a).

Section 9.9 **Late Delivery Fees**.

(a) In the event the Institution shall fail:

(i) to pay the Annual Administrative Fee on the date required under Section 8.3,

(ii) to file and/or deliver any of the documents required of the Institution under Section 8.14 or Section 8.16 by the date therein stated (collectively, the "**Fixed Date Deliverables**"), or

(iii) to deliver to the Issuer any of the documents as shall have been requested by the Issuer of the Institution under Section 8.15 within five (5) Business Days of the date so requested (collectively, the "**Requested Document Deliverables**"),

then the Issuer may charge the Institution on a daily calendar basis commencing with the day immediately following the date on which the payment, filing or delivery was due (the "**Due Date**"), the Per Diem Late Fee.

(b) If the Issuer shall deliver written notice (a "**Notification of Failure to Deliver**") to the Institution of such failure to deliver on the Due Date the Annual Administrative Fee, a Fixed Date Deliverable and/or a Requested Document Deliverable, and such payment or document shall not be delivered to the Issuer within twenty (20) Business Days following delivery by the Issuer to the Institution of the Notification of Failure to Deliver, then, commencing from and including the twenty-first (21st) Business Day following the delivery by the Issuer to the Institution of the Notification of Failure to Deliver, the Issuer may charge the Institution on a daily calendar basis the Per Diem Supplemental Late Fee in respect of each noticed failure which shall be in addition to, and be imposed concurrently with, the applicable Per Diem Late Fee.

(c) The Per Diem Late Fee and the Per Diem Supplemental Late Fee shall each, if charged by the Issuer, (i) accrue until the Institution delivers to the Issuer the Annual Administrative Fee, the Fixed Date Deliverable(s) and/or the Requested Document Deliverable(s), as the case may be, and (ii) be incurred on a daily basis for each such Annual Administrative Fee, Fixed Date Deliverable and/or Requested Document Deliverable as shall not have been delivered to the Issuer on the Due Date.

(d) No default on the part of the Institution under Section 8.3, 8.14, 8.15 or 8.16 of this Agreement to deliver to the Issuer an Annual Administrative Fee, a Fixed Date Deliverable or a Requested Document Deliverable shall be deemed cured unless the Institution shall have delivered same to the Issuer and paid to the Issuer all accrued and unpaid Per Diem Fees in connection with the default.

ARTICLE X

TERMINATION OF THIS AGREEMENT

Section 10.1 **Termination of this Agreement**

(a) The Institution shall have the option to cause the redemption or defeasance in whole of all Outstanding Bonds in accordance with the terms set forth in the Indenture

(b) After full payment of the Bonds or provision for the payment in full thereof having been made in accordance with Article XI of the Indenture, but not later than the receipt by the Institution of ten (10) days prior written notice from the Issuer directing termination of this Agreement, the Institution shall terminate this Agreement by giving the Issuer notice in writing of such termination and thereupon such termination shall forthwith become effective, subject, however, to (x) the delivery of those documents referred to in Section 10.2, and (y) the survival of those obligations of the Institution set forth in Section 10.3.

Section 10.2 **Actions on Termination.** (a) As a condition precedent to the termination of this Agreement, the Institution shall:

(i) pay to the Trustee

(A) the expenses of redemption, the fees and expenses of the Trustee, the Bond Registrar, the Bondholder Representative and the Paying Agent and all other amounts due and payable under this Agreement and the other Security Documents, and

(B) any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Certificate; and

(ii) pay to the Issuer

(A) the fees and expenses of the Issuer, and

(B) all other amounts due and payable under this Agreement and the other Security Documents,

(iii) pay to the Bondholder Representative, the fees and expenses of the Bondholder Representative,

(iv) perform all accrued obligations hereunder or under any other Project Document,

(v) deliver or cause to be delivered to the Issuer with respect to any mortgage exempt from the payment of mortgage recording tax by reason of the Issuer being a party thereto, an executed satisfaction of such mortgage in recordable form, executed by the mortgagee, and

(vi) effect at its own cost and expense the proper recording and filing of all instruments terminating, satisfying and discharging the Security Documents.

(b) Upon the termination of this Agreement in accordance with Section 10.1, the Issuer will deliver or cause to be delivered, at the sole cost and expense of the Institution, to the Institution (i) a termination of this Agreement, and (ii) all necessary documents releasing all of the Issuer's rights and interests in and to any rights of action under this Agreement (other than as against the Institution or any insurer of the insurance policies under Section 8.1), or any insurance proceeds (other than liability insurance proceeds for the benefit of the Issuer) or condemnation awards, with respect to the Facility or any portion thereof. Concurrently with the delivery of such instruments, there shall be delivered by the Issuer (at the sole cost and expense of the Institution) to the Trustee any instructions or other instruments required by Article XI of the Indenture to defease and pay the Outstanding Bonds, together with a direction to the Trustee that the Trustee deliver to the Issuer and the Institution a release,

satisfaction or termination of the Indenture and of the mortgage lien and security interest of the Mortgage on the Mortgaged Property.

Section 10.3 **Survival of Institution Obligations.** Upon compliance with Section 10.2, this Agreement and all obligations of the Institution hereunder shall be terminated except the obligations of the Institution under Sections 8.2, 8.24, 8.30, 9.2, 9.3, 9.7, 9.9, 12.4, 12.5, 12.6, 12.11, 12.13 and 12.14 shall survive such termination.

ARTICLE XI

CERTAIN PROVISIONS RELATING TO THE BONDS

Section 11.1 **Issuance of Additional Bonds.** If a Series of Additional Bonds are to be issued pursuant to the Indenture, the Issuer and the Institution shall enter into an amendment to this Agreement, and the Institution shall execute and deliver a new Promissory Note, in each case providing, among other things, for the payment by the Institution of such additional loan payments as are necessary in order to amortize in full the principal of and interest on such Series of Additional Bonds and any other costs in connection therewith.

Section 11.2 **Determination of Taxability.** (a) If any Holder of Bonds 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 such Holder at the option of either such Holder or the Institution. If such appeal is taken at the option of the Institution (exercised in accordance with the procedures set forth in the definition of "Determination of Taxability"), all expenses of the appeal including reasonable counsel fees shall be paid by the Institution, and the Institution shall control the procedures and terms relating to such appeal, and such Holder and the Institution shall cooperate and consult with each other in all matters pertaining to any such appeal which the Institution has elected to take, except that no Holder of Bonds shall be required to disclose or furnish any non-publicly disclosed information, including without limitation, financial information and tax returns. Before the taking of any appeal which the Institution has elected to take, however, the Bondholder shall have the right to require the Institution to pay the tax assessed and conduct the appeal as a contest for reimbursement.

(b) The obligations of the Institution to make the payments provided for in this Section shall be absolute and unconditional, and the failure of the Issuer, the Trustee or any other Person to execute or deliver or cause to be delivered any documents or to take any action required under this Agreement or otherwise shall not relieve the Institution of its obligation under this Section.

(c) Not later than one hundred twenty (120) days following a Determination of Taxability, the Institution shall pay to the Trustee an amount sufficient, when added to the amounts then in the Bond Fund and available for such purpose, to retire and redeem all Bonds then Outstanding, in accordance with the Indenture The Bonds shall be redeemed in whole unless redemption of a portion of the Bonds Outstanding would have the result that interest payable on the Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Bond. In such event, the Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

Section 11.3 **Mandatory Redemption of Bonds as Directed by the Issuer.** (a) Upon the determination by the Issuer that (i) the Institution is operating the Facility or any portion thereof, or is allowing the Facility or any portion thereof to be operated, not for the Approved Project Operations in accordance with this Agreement and the failure of the Institution within thirty (30) days of the receipt by the Institution of written notice of such noncompliance from the Issuer to cure such noncompliance (a

copy of which notice shall be sent to the Trustee and the Bondholder Representative), (ii) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement and the failure of the Institution within thirty (30) days of the receipt by the Institution of written notice of such determination from the Issuer to cure such material violation (which cure, in the case of a Principal who shall have committed the material violation of a material Legal Requirement, may be effected by the removal of such Principal), (iii) as set forth in Section 9.8, any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (iv) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, the Institution covenants and agrees that it shall, no later than ten (10) days following the termination of such thirty (30) day period, pay to the Trustee advance loan payments in immediately available funds in an amount sufficient to redeem the Bonds Outstanding in whole at the Redemption Price of 100% of the aggregate principal amount of the Outstanding Bonds together with interest accrued thereon to the redemption date. The Issuer shall give prior written notice of the meeting at which the Board of Directors of the Issuer are to consider a resolution with respect to matters set forth in this paragraph to the Institution and the Trustee, which notice shall be no less than fifteen (15) days prior to such meeting.

(b) In the event the Institution fails to obtain or maintain the liability insurance with respect to the Facility required under Section 8.1, and the Institution shall fail to cure such circumstance within ten (10) days of the receipt by the Institution of written notice of such noncompliance from the Issuer and a demand by the Issuer on the Institution to cure such noncompliance, upon notice or waiver of notice as provided in the Indenture, the Institution shall pay to the Trustee advance loan payments in immediately available funds in an amount sufficient to redeem the Bonds Outstanding in whole at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

Section 11.4 **Mandatory Redemption As a Result of Project Gifts or Grants.** (a) If, prior to completion of the construction of a component of the Project, the Institution receives any gift or grant required by the terms thereof to be used to pay any item which is a cost of such component of the Project, the Institution shall apply such gift or grant to completion of the construction of such component of the Project. In the event that the amount of such gift or grant is in excess of the amount necessary to complete such component of the Project, and if proceeds of the Bonds (i) have been expended on such component of the Project more than eighteen (18) months prior to the receipt of such gift or grant, or (ii) (A) have been expended on such component of the Project not more than eighteen (18) months prior to the receipt of such gift or grant and (B) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Bond proceeds expended on such component of the Project, the Institution shall cause the Trustee to effect a redemption of Bonds in a principal amount equal to such excess only to the extent to which proceeds of the Bonds were expended for such component.

(b) If, after completion of the construction of a component of the Project, the Institution receives any gift or grant which prior to such completion it reasonably expected to receive and which is required by the terms thereof to be used to pay any item which is a cost of such component of the Project, and if proceeds of the Bonds (i) have been expended on such component of the Project more than eighteen (18) months prior to the earlier of the date on which Bond proceeds were expended thereon or the placed in service date of such component, or (ii) (A) have been expended on such component of the Project not more than eighteen (18) months prior to the earlier of the date on which Bond proceeds were expended thereon or the placed in service date of such component and (B) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Bond proceeds expended on such component of the Project, the Institution shall, to the extent not inconsistent with the terms of such gift or grant, deposit an amount equal to such gift or grant with the Trustee for deposit, into the Redemption

Account of the Bond Fund and cause the Trustee to effect a redemption of the Bonds in a principal amount equal to such gift or grant, but only to the extent to which proceeds of Bonds were expended for such component.

(c) The Institution shall, prior to directing the redemption of any Bonds in accordance with this Section 11.4, consult with Nationally Recognized Bond Counsel for advice as to a manner of selection of Bonds for redemption that will not affect the exclusion of interest on any Bonds then Outstanding from gross income for federal income tax purposes.

(d) Nothing in this Section 11.4 shall apply to the Grant Proceeds, which Grant Proceeds shall be used by the Institution to redeem the Series 2018B Bonds.

Section 11.5 **Right to Cure Issuer Defaults.** The Issuer hereby grants the Institution full authority for account of the Issuer to perform any covenant or obligation the non-performance of which is alleged to constitute a default in any notice received by the Institution, in the name and stead of the Issuer, with full power of substitution.

Section 11.6 **Prohibition on the Purchase of Bonds.** Except as provided in this Section, neither the Institution nor any Related Person (as defined in the Tax Certificate) to the Institution shall purchase Bonds in an amount related to the amount of the Loan. The Institution shall have the option, at any time during the term of this Agreement, to purchase Bonds for its own account, whether by direct negotiation, through a broker or dealer, or by making a tender offer to the Holders thereof. The Bonds so purchased by the Institution or by any Affiliate of the Institution shall be delivered to the Trustee for cancellation within fifteen (15) days of the date of purchase unless the Institution shall deliver to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the failure to surrender such 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.

Section 11.7 **Investment of Funds.** Any moneys held as part of the Rebate Fund, the Earnings Fund, the Project Fund, the Bond Fund, the Debt Service Reserve Fund 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 Certificate). Neither the Issuer nor the Trustee nor any of their members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any such investments or for any loss arising therefrom.

Interest and profit derived from such investments shall be credited and applied as provided in the Indenture, and any loss resulting from such investments shall be similarly charged

ARTICLE XII

MISCELLANEOUS

Section 12.1 **Force Majeure. In case by reason of force majeure either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, then except as otherwise expressly provided in this Agreement, if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligations of the party giving such notice (other than (i) the obligations of the Institution to make the loan payments or other payments required under the terms hereof, or (ii) the obligations of the Institution to comply with Section 5.3, 8.1 or**

8.2), so far as they are affected by such force majeure, shall be suspended during the continuance of the inability then claimed, which shall include a reasonable time for the removal of the effect thereof, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of any kind of the Government of the United States or of the State or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrest, restraining of government and people, war, terrorism, civil disturbances, explosions, partial or entire failure of utilities, shortages of labor, material, supplies or transportation, or any other act or event so long as such act or event is not reasonably foreseeable and is not reasonably within the control of the party claiming such inability. Notwithstanding anything to the contrary herein, in no event shall the Institution's financial condition or inability to obtain financing constitute a force majeure. It is understood and agreed that the requirements that any force majeure shall be reasonably beyond the control of the party and shall be remedied with all reasonable dispatch shall be deemed to be satisfied in the event of a strike or other industrial disturbance even though existing or impending strikes or other industrial disturbances could have been settled by the party claiming a force majeure hereunder by acceding to the demands of the opposing person or persons.

The Institution shall promptly notify the Issuer and the Trustee upon the occurrence of each *force majeure*, describing such *force majeure* and its effects in reasonable detail. The Institution shall also promptly notify the Issuer and the Trustee upon the termination of each such *force majeure*. The information set forth in any such notice shall not be binding upon the Issuer or the Trustee, and the Issuer or the Trustee shall be entitled to dispute the existence of any *force majeure* and any of the contentions contained in any such notice received from the Institution.

Section 12.2 **Pledge under Indenture.** Pursuant to (i) the Mortgage, the Institution will mortgage its fee and leasehold interest in the Mortgaged Property to the Trustee as security for the Bonds and the obligations of the Institution under the Security Documents and (ii) the Indenture, the Issuer will pledge and assign the Promissory Note and the loan payments and certain other moneys receivable under this Agreement to the Trustee as security for payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on the Bonds. The Institution hereby consents to the Issuer's pledge and assignment to the Trustee of all its right, title and interest in the Promissory Note and this Agreement (except for the Issuer's Reserved Rights).

Section 12.3 **Amendments.** This Agreement may be amended only with the concurring written consent of the Trustee given in accordance with the provisions of the Indenture and the written consent of the Bondholder Representative and only by a written instrument executed by the parties hereto.

Section 12.4 **Service of Process.** The Institution represents that it is subject to service of process in the State and covenants that it will remain so subject until all obligations, covenants and agreements of the Institution under this Agreement shall be satisfied and met. If for any reason the Institution should cease to be so subject to service of process in the State, the Institution hereby irrevocably consents to the service of all process, pleadings, notices or other papers in any judicial proceeding or action by designating and appointing the Senior Vice President and Chief Financial Officer of the Institution at 355 Bard Avenue, Staten Island, New York 10310, as its agent upon whom may be served all process, pleadings, notices or other papers which may be served upon the Institution as a result of any of its obligations under this Agreement. If such appointed agent shall cease to act or otherwise cease to be subject to service of process in the State, the Institution hereby irrevocably designates and appoints the Secretary of State of the State of New York as its agent upon whom may be served all process, pleadings, notices or other papers which may be served upon the Institution as a result of any of

its obligations under this Agreement; provided, however, that the service of such process, pleadings, notices or other papers shall not constitute a condition to the Institution's obligations hereunder.

For such time as any of the obligations, covenants and agreements of the Institution under this Agreement remain unsatisfied, the Institution's agent(s) designated in this Section 12.4 shall accept and acknowledge on the Institution's behalf each service of process in any such suit, action or proceeding brought in any such court. The Institution agrees and consents that each such service of process upon such agents and written notice of such service to the Institution in the manner set forth in Section 12.5 shall be taken and held to be valid personal service upon the Institution whether or not the Institution shall then be doing, or at any time shall have done, business within the State and that each such service of process shall be of the same force and validity as if service were made upon the Institution according to the laws governing the validity and requirements of such service in the State, and waives all claim of error by reason of any such service.

Such agents shall not have any power or authority to enter into any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Institution or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Institution.

Section 12.5 **Notices.** Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication authorized or required by this Agreement to be given to or filed with the Issuer, the Institution, the Trustee, the Bondholder Representative, the DCA or the Comptroller shall be sufficient if sent (i) by return receipt requested or registered or certified United States mail, postage prepaid, (ii) by a nationally recognized overnight delivery service for overnight delivery, charges prepaid or (iii) by hand delivery, addressed, as follows:

(1) if to the Issuer, to

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: General Counsel

with a copy to

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: Executive Director

(2) if to the Institution, to

Richmond Medical Center
355 Bard Avenue
Staten Island, New York 10310
Attention: Senior Vice President and Chief Financial Officer

with a copy to

Garfunkel Wild, P.C.
111 Great Neck Road, Suite 600

Great Neck, New York 11021
Attention: Andrew Schulson, Esq.

(3) if to the Trustee, to

U.S. Bank National Association
100 Wall Street, Suite 1600
New York, New York 10005
Mail Station: EX-NY-WALL
Attention: Corporate Trust Administration

with a copy to:

Paparone Law PLLC
30 Broad Street, 14th Floor, #1482
New York, New York 10004
Attention: Melissa E. Paparone, Esq., and

(4) if to the Bondholder Representative, to

Preston Hollow Capital, LLC
1717 Main Street, Suite 3900
Dallas, Texas 75201
Attention: John Dinan, General Counsel

(5) if to the DCA, to

Department of Consumer Affairs of The City of New York
42 Broadway
New York, New York 10004
Attention: Living Wage Division

(6) if to the Comptroller, to

Office of the Comptroller of The City of New York
One Centre Street
New York, New York 10007
Attention: Chief, Bureau of Labor Law

The Issuer, the Institution, the Trustee, the Bondholder Representative, the DCA and the Comptroller may, by like notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given (i) three (3) Business Days following posting if transmitted by mail, (ii) one (1) Business Day following sending if transmitted for overnight delivery by a nationally recognized overnight delivery service, or (iii) upon delivery if given by hand delivery, with refusal by an Authorized Representative of the intended recipient party to accept delivery of a notice given as prescribed above to constitute delivery hereunder.

Section 12.6 **Consent to Jurisdiction.** The Institution irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of this Agreement or any other Project Document, the Facility, the Project, the relationship between the Issuer and the Institution, the

Institution's ownership, use or occupancy of the Facility and/or any claim for injury or damages may be brought in the courts of record of the State in New York County or the United States District Court for the Southern District of New York; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; (iii) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (iv) waives and relinquishes any rights it might otherwise have (A) to move to dismiss on grounds of *forum non conveniens*, (B) to remove to any federal court other than the United States District Court for the Southern District of New York, and (C) to move for a change of venue to a New York State Court outside New York County.

If the Institution commences any action against the Issuer or the Trustee in a court located other than the courts of record of the State in New York County or the United States District Court for the Southern District of New York, the Institution shall, upon request from the Issuer or the Trustee, either consent to a transfer of the action or proceeding to a court of record of the State in New York County or the United States District Court for the Southern District of New York, or, if the court where the action or proceeding is initially brought will not or cannot transfer the action, the Institution shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of record of the State in New York County or the United States District Court for the Southern District of New York.

Section 12.7 **Prior Agreements Superseded.** This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Issuer and the Institution relating to the Facility, other than any other Project Document.

Section 12.8 **Severability.** If any one or more of the provisions of this Agreement shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 12.9 **Effective Date; Counterparts.** The date of this Agreement shall be for reference purposes only and shall not be construed to imply that this Agreement was executed on the date first above written. This Agreement was delivered on the Closing Date. This Agreement shall become effective upon its delivery on the Closing Date. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.10 **Binding Effect.** This Agreement shall inure to the benefit of the Issuer, the Trustee, the Bond Registrar, the Paying Agent, the Indemnified Parties and the Holders of the Bonds, and shall be binding upon the Issuer and the Institution and their respective successors and assigns.

Section 12.11 **Third Party Beneficiaries.** (a) The Issuer and the Institution agree that this Agreement is executed in part to induce the purchase by others of the Bonds and for the further securing of the Bonds, and accordingly all covenants and agreements on the part of the Issuer and the Institution as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds and may be enforced as provided in Article VIII of the Indenture on behalf of the Bondholders by the Trustee or the Bondholder Representative.

(b) Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the Trustee, the Bond Registrar, the Institution, the Paying Agent and the Holders of the Bonds any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuer shall be for the sole and

exclusive benefit of the Issuer, the Trustee, the Bond Registrar, the Institution, the Paying Agent, the Bondholder Representative and the Holders of the Bonds.

Section 12.12 **Law Governing.** This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 12.13 **Waiver of Trial by Jury.** The Institution does hereby expressly waive all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or any matters whatsoever arising out of or in any way connected with this Agreement, the Institution's obligations hereunder, the Facility, the Project, the relationship between the Issuer and the Institution, the Institution's ownership, use or occupancy of the Facility and/or any claim for injury or damages.

The provision of this Agreement relating to waiver of a jury trial shall survive the termination or expiration of this Agreement.

Section 12.14 **Recourse Under This Agreement.** All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer, and not of any member, director, officer, employee or agent of the Issuer or any natural person executing this Agreement on behalf of the Issuer in such person's individual capacity, and no recourse shall be had for any reason whatsoever hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing this Agreement on behalf of the Issuer. No recourse shall be had for the payment of the principal of, redemption premium, if any, Sinking Fund Installments for, or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing the Bonds. In addition, in the performance of the agreements of the Issuer herein contained, any obligation the Issuer may incur for the payment of money shall not subject the Issuer to any pecuniary or other liability or create a debt of the State or the City, and neither the State nor the City shall be liable on any obligation so incurred and any such obligation shall be payable solely out of amounts payable to the Issuer by the Institution hereunder and under the Promissory Note.

Section 12.15 **Legal Counsel; Mutual Drafting.** Each party acknowledges that this Agreement is a legally binding contract and that it was represented by legal counsel in connection with the drafting, negotiation and preparation of this Agreement. Each party acknowledges that it and its legal counsel has cooperated in the drafting, negotiation and preparation of this Agreement and agrees that this Agreement and any provision hereof shall be construed, interpreted and enforced without regard to any presumptions against the drafting party. Each party hereby agrees to waive any rule, doctrine or canon of law, including without limitation, the *contra preferentum* doctrine, that would require interpretation of any ambiguities in this Agreement against the party that has drafted it.

Section 12.16 **Control by Bondholder Representative.** Notwithstanding any other provision to the contrary, any discretionary action on the part of the Trustee contained herein or in any Project Document, including, without limitation, any consent or waiver hereunder or thereunder, shall require the prior written consent of the Bondholder Representative, and the Trustee hereby agrees to take such action, or refrain from taking such action, upon the written direction of the Bondholder Representative. If the Trustee fails to take any such action within fifteen (15) days after the written direction of the Bondholder Representative to take such action, the Bondholder Representative may, but need not, take such action. Notwithstanding the foregoing, the Trustee shall not be required to take any such action at the direction of

the Bondholder Representative unless the Bondholder Representative provides indemnification to the Trustee as provided in Section 9.02 of the Indenture.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer has caused its corporate name to be subscribed unto this Loan Agreement by its duly authorized Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and the Institution has caused its respective name to be hereunto subscribed by their respective duly Authorized Representatives, all being done as of the year and day first above written.

BUILD NYC RESOURCE CORPORATION

By: _____
Krishna Omolade
Deputy Executive Director

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

On the 17 day of December, in the year 2018, before me, the undersigned, personally appeared Krishna Omolade, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public
FRANCES TOFANO
Notary Public, State of New York
No. 01TU5080131
Qualified in Queens County
Commission Expires June 16, 2019

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By: _____
Joseph Saporito
Senior Vice President and Chief Financial Officer

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

On the 17th day of December, in the year 2018, before me, the undersigned, personally appeared Joseph Saporito, personally known to me or proved to me on the basis of satisfactory evidence to me the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

YOUSEF M. HATTAR
NOTARY PUBLIC, STATE OF NEW YORK
NO. 01HA6192472
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES SEPTEMBER 2, 20 22

APPENDICES

APPENDIX A

DEFINITIONS OF CERTAIN TERMS IN THE INDENTURE AND THE LOAN AGREEMENT

APPENDIX A

DEFINITIONS OF CERTAIN TERMS IN THE INDENTURE AND THE LOAN AGREEMENT

Additional Bonds shall mean one or more Series of parity additional bonds issued, executed, authenticated and delivered under the Indenture.

Additional Improvements shall have the meaning specified in Section 3.4(a) of the Loan Agreement.

Additional Indebtedness Debt Service Coverage Ratio shall be determined based on the audited financial statements, determined in accordance with GAAP, for the last Fiscal Year preceding the incurrence of the proposed Indebtedness and shall mean the ratio determined by dividing (a) a numerator equal to Cash Available for Debt Service for such Fiscal Year, by (b) a denominator equal to the sum of (i) the Maximum Annual Debt Service for all Indebtedness of the Institution outstanding during such Fiscal Year and the additional Indebtedness proposed to be incurred in accordance with Section 8.31 of the Loan Agreement, provided, however, with respect to any Indebtedness that is not amortized by the terms thereof, the amount of principal which would be payable in such period, if such then outstanding principal were amortized from the date of incurrence thereof, over a period of the lesser of thirty (30) years or the maturity of such Indebtedness (if applicable) on a level debt service basis at an interest rate borne by such Indebtedness on the date calculated, except that if the date of calculation is within twelve (12) months of the scheduled maturity of such Indebtedness the full amount of principal payable at scheduled maturity shall be included in the calculation. In addition, with respect to variable rate indebtedness, the interest on such indebtedness shall be calculated at the rate which is equal to the average of the actual interest rates which were in effect for the most recent twelve (12) month period immediately preceding the date of calculation. For purposes of section 8.31(c)(i)(2) of the Loan Agreement, the Additional Indebtedness Debt Service Coverage Ratio shall be determined for two consecutive Fiscal Years, the second of which is the last Fiscal Year preceding the incurrence of the proposed Indebtedness.

Advance Direction Letter shall have the meaning set forth in the Agreement to Advance.

Affiliate shall mean, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person. For the avoidance of doubt, the Bondholder Representative shall not be deemed to be an Affiliate of the Institution as a result of entering into the Loan Agreement and performing their respective obligations thereunder.

Agreement to Advance shall mean the Agreement to Advance, dated as of the Closing Date, among the Institution, Preston Hollow Capital, LLC, as the initial purchaser of the Initial Bonds, the Trustee and the Underwriter, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Annual Administrative Fee shall mean that annual administrative fee established from time to time by the Issuer's Board of Directors as generally applicable to Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors).

Annual Evaluation Date shall mean one hundred fifty (150) days after the Institution's Fiscal Year End Date, commencing on December 31, 2019.

Approved Facility shall mean the Facility as occupied, used and operated by the Institution substantially for the Approved Project Operations, including such other activities as may be substantially related to or substantially in support of such operations, all to be effected in accordance with the Loan Agreement.

Approved Project Operations shall mean the facilities located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York, for use by the Institution as a hospital, medical center and ancillary facilities.

Asserted Cure has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

Asserted LW Violation has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

Authorized Denomination shall mean $100,000 or any integral multiple of $5,000 in excess thereof; provided, however, that after the Initial Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination with respect to the Bonds shall be $5,000 or any integral multiple thereof.

Authorized Principal Amount shall mean, (i) in the case of the Series 2018A Bonds, up to $117,000,000, and (ii) in the case of the Series 2018B Bonds, up to $42,600,000.

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C — "Authorized Representative of Institution" to the Loan Agreement, or any other officer or employee of the Institution who is authorized to perform specific duties hereunder or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of the Loan Agreement, the Indenture or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Available Reserves shall mean the fair market value of all unrestricted and liquid cash and investments of the Institution, determined as set forth in a Certificate of Authorized Representative of the Institution, which determination shall be based on the most recent audited financials of the Institution, but excluding the amounts on deposit in any bond payment, debt service or similar fund pledged for the payment of principal or interest due on any Indebtedness, and in any event excluding amounts in a Debt Service Reserve Fund. For each of Fiscal Year 2018-2019 and Fiscal Year 2019-2020, amounts drawn by the Institution on revolving loan agreements or lines of credit, or any other credit facilities available to the Institution shall be taken into account in computing Days Cash-on-Hand.

Beneficial Owner shall mean, whenever used with respect to an Initial Bond, the Person in whose name such Initial Bond is recorded as the Beneficial Owner of such Initial Bond by the respective systems of DTC and each of the Participants of DTC. If at any time any or all of the Initial Bonds are not held in the Book-Entry System, Beneficial Owner with respect to such Initial Bond shall mean "Holder" for purposes of the Security Documents.

Benefits shall have the meaning set forth in Section 5.1(a) of the Loan Agreement.

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

Bond Purchase Agreement shall mean the Bond Purchase Agreement, dated December 19, 2018, among the Institution, the Issuer and the Underwriter.

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

Bond Resolution shall mean the resolution of the Issuer adopted on November 7, 2018, authorizing the Project and the issuance of the Initial Bonds.

Bondholder, Holder of Bonds, Holder or **holder** shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bondholder Representative shall mean Preston Hollow Capital, LLC, and any successor thereto designated as the Bondholder Representative in accordance with Section 10.01 of the Indenture.

Bonds shall mean the Initial Bonds and any Additional Bonds.

Building Loan Agreement shall mean the Building Loan Agreement, dated as of December 1, 2018, by and among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Loan Agreement and the Indenture.

Business Day shall mean any day that shall not be:

(i) a Saturday, Sunday, or legal holiday;

(ii) a day on which banking institutions in the City are authorized by law or executive order to close; or

(iii) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is closed.

Business Incentive Rate shall mean the discount energy transportation and delivery rate provided through the Business Incentive Rate program co-administered by NYCEDC and Consolidated Edison Company of New York, Inc.

Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Capital Lease shall mean a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP.

Cash Available for Debt Service shall mean for any Fiscal Year the amount determined as the sum of net income, depreciation, amortization, interest expense and any other noncash expense for such Fiscal Year, all as determined for financial reporting purposes for such Fiscal Year in accordance with GAAP.

Certificate shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Certificate of Authorized Representative of the Institution shall mean a certificate signed by an Authorized Representative of the Institution which shall state that it is being delivered pursuant to (and shall identify the Section or subsection of) the Loan Agreement, and shall incorporate by reference and use in all appropriate instances all terms defined in the Loan Agreement. Each Certificate of Authorized Representative of the Institution shall state that (i) the terms thereof are in compliance with the requirements of the Section or subsection pursuant to which such certificate is delivered, or shall state in reasonable detail the nature of any non-compliance and the steps being taken to remedy such non-compliance, (ii) no Default or Event of Default has occurred and is continuing, and (iii) it is being delivered together with any opinions, schedules, statements, pro forma financial statements or other documents required in connection therewith. Any Certificate of Authorized Representative of the Institution made with respect to compliance with Sections 8.32 and 8.33 of the Loan Agreement shall be accompanied with the appropriate documentation evidencing such compliance as reasonably requested by Bondholder Representative and shall be prepared in good faith by the Institution.

CGL shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

City shall mean The City of New York, New York.

Claims shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Closing Date shall mean December 20, 2018, the date of the initial issuance and delivery of the Initial Bonds.

CM shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

Cogeneration Facility Project Work shall mean (i) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Completion Deadline shall mean:

(i) October 1, 2019 for the Parking Lot Project Work;

(ii) June 1, 2020 for the Operating Room Project Work;

(iii) August 1, 2020 for the Cogeneration Facility Project Work;

(iv) June 1, 2021 for the Elevator Project Work;

(v) July 1, 2021 for the Emergency Department Project Work; and

(vi) November 1, 2021 for the Roof Project Work.

Completion Guaranty shall mean the Completion Guaranty dated as of December 1, 2018, by the Institution for the benefit of the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Comptroller has the meaning specified in Section 8.30(b) of the Loan Agreement.

Computation Date shall have the meaning assigned to that term in the Tax Certificate.

Computation Period shall have the meaning assigned to that term in the Tax Certificate.

Concessionaire has the meaning specified in Section 8.30(b) of the Loan Agreement.

Conduct Representation shall mean any representation by the Institution under Section 2.2(r) of the Loan Agreement, or by any other Person in any Required Disclosure Statement delivered to the Issuer.

Construction shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Consultant shall mean a Person or firm selected by the Institution subject to the reasonable consent of Bondholder Representative that is not (and no member, stockholder, director, officer or employee of which is) an officer or employee of the Institution, Bondholder Representative, or any Affiliate thereof, that is an independent professional consultant with substantial experience and recognized expertise in the operation and management of hospitals and/or medical facilities. Any and all fees, costs and expenses of Consultant shall be borne by the Institution.

Construction Disbursement and Monitoring Agreement shall mean the Construction Disbursement and Monitoring Agreement, by and among the Institution, the Trustee and Preston Hollow Capital, LLC, substantially in the form attached to the Loan Agreement as Exhibit M – "Form of Construction Disbursement and Monitoring Agreement" which is to be entered into by the parties at the time of execution and delivery of the guaranteed maximum price contract for the Cogeneration Facility Project Work and the Emergency Department Project Work, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Continuation Action(s) shall have the meaning set forth in Section 7.07(c) of the Indenture.

Contractor(s) shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Control or **Controls**, including the related terms "controlled by" and "under common control with", shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

Costs of Issuance shall mean issuance costs with respect to the Initial Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: the Underwriter's spread (whether realized directly or derived through the purchase of the Initial Bonds at a discount below the price at which they are expected to be sold to the public); counsel fees (including bond counsel, counsel to the Underwriter, Trustee's counsel, Issuer's counsel, Institution's counsel, counsel to the Initial Bondholder, the Bondholder Representative, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Issuer or

the Institution incurred in connection with the issuance of the Initial Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Certificate); Rating Agency fees; Trustee and Paying Agent fees; accountant fees and other expenses related to issuance of the Initial Bonds; printing costs for the Initial Bonds and for the preliminary and final offering documents relating to the Initial Bonds; public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Initial Bonds; Blue Sky fees and expenses; and similar costs.

Covered Counterparty has the meaning specified in Section 8.30(b) of the Loan Agreement.

Covered Employer has the meaning specified in Section 8.30(b) of the Loan Agreement.

Days Cash-on-Hand shall mean as of any Liquidity Testing Date, as derived from the audited financial statements for the Fiscal Year ending on the Liquidity Testing Date, (a) the product of (i) three hundred sixty-five (365), and (ii) the Available Reserves, divided by (b) the sum of the following for the Fiscal Year ending on the Liquidity Testing Date: (i) Total Cash Operating Expenses of the Institution, (ii) payments of interest on, and principal of, the Bonds, and (iii) payments of interest on, and principal of, all other Indebtedness of the Institution.

Days Cash on Hand Requirement shall mean: for each of the Fiscal Years ending December 31, 2018 - 2020, at least thirty (30) Days Cash on Hand as of each Liquidity Testing Date; for Fiscal Year ending December 31, 2021, at least thirty-five (35) Days Cash on Hand as of the Liquidity Testing Date for such Fiscal Year; for Fiscal Year ending December 31, 2022, at least forty (40) Days Cash on Hand as of the Liquidity Testing Date for such Fiscal Year; and for each Fiscal Year from Fiscal Year ending December 31, 2023 through the date of maturity of the Initial Bonds (or earlier date of redemption of the last outstanding Bond), at least forty-five (45) Days Cash on Hand as of each Liquidity Testing Date.

DCA has the meaning specified in Section 8.30(b) of the Loan Agreement.

Debt Service Coverage Ratio shall mean for a Fiscal Year, the ratio determined by dividing (i) a numerator equal to Cash Available for Debt Service during such fiscal year, by (ii) a denominator equal to the required payments during such Fiscal Year of principal of and interest on all Indebtedness of the Institution other than Short-Term Indebtedness incurred in accordance with Section 8.31(d) of the Loan Agreement (but including Capital Leases).

Debt Service Coverage Ratio Requirement means for a Fiscal Year a Debt Service Coverage Ratio for such Fiscal Year of at least 1.15:1.

Debt Service Requirement shall mean for any date of determination, when used with respect to any particular Indebtedness, the aggregate of the payments to be made in respect of principal and interest on such Indebtedness, for a particular Fiscal Year.

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

Debt Service Reserve Requirement shall mean:

(i) with respect to the Series 2018A Bonds, as of any date of determination an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2018A Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2018A Bonds; or (C) one hundred twenty-five (125%) of

the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2018A Bonds;

(ii) with respect to the Series 2018B Bonds, as of any date of determination, an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2018B Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2018B Bonds; or (C) one hundred twenty-five (125%) of the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2018B Bonds; and

(iii) with respect to Additional Bonds, such amount is set forth in a Supplemental Indenture with respect to such Additional Bonds.

Debt Service Reserve Fund Valuation Date shall mean the end of each Fiscal Year beginning on December 31, 2020.

Default shall mean an event, condition, or default that, with the giving of notice, the passage of time, or both, would be an Event of Default.

Default Rate shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law, and (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law.

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

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

Deposit Account Control Agreement shall mean the Deposit Account Control Agreement, by and among the Institution, the Trustee and the Depository Bank, relating to the Gross Revenues and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Depository Bank shall mean the depository banking institution selected by the Institution, and reasonably satisfactory to the Trustee and the Bondholder Representative, to act as the depository bank under the Deposit Account Control Agreement.

Determination of Taxability shall mean:

(i) (A) the adoption, promulgation or enactment of any federal statute or regulation, or any determination, decision, decree or ruling made by the Commissioner or any District Director of the Internal Revenue Service;

(B) the issuance of a public or private ruling or a technical advice memorandum by the Internal Revenue Service in which the Institution has participated or has been given the opportunity to participate, and which ruling or memorandum the Institution, in its discretion, does not contest or from which no further right of judicial review or appeal exists;

(C) a determination from which no further right of appeal exists of any court of competent jurisdiction in the United States in a proceeding in which the Institution has participated or has been a party, or has been given the opportunity to participate or be a party; or

(D) the admission in writing by the Institution;

in any case, to the effect that the interest payable on the Bond of a Holder or a former Holder thereof is includable in gross income for federal income tax purposes; or

(ii) the receipt by the Trustee of a written opinion of Nationally Recognized Bond Counsel to the effect that the interest payable on the Bonds is includable in gross income for federal income tax purposes or the refusal of any such counsel to render a written opinion that the interest on the Bonds is not so includable when required pursuant to a request by a Bondholder in accordance with the procedures set forth in the Indenture;

provided, however, that no such Determination of Taxability described in clauses (i)(B) or (i)(C) hereof shall be considered to exist unless (1) the Holder or Beneficial Owner or former Holder or Beneficial Owner of the Bond involved in such proceeding (a) gives the Institution and the Trustee prompt notice of the commencement thereof and (b) (if the Institution agrees to pay all expenses in connection therewith) offers the Institution the opportunity to control the defense thereof and (2) either (a) the Institution does not agree within thirty (30) days of receipt of such offer to pay such expenses and to control such defense or (b) the Institution shall exhaust or choose not to exhaust all available proceedings for the contest, review, appeal or rehearing of such decree, judgment or action which the Institution determines to be appropriate. The Bondholder Representative, a Bondholder or a Beneficial Owner shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (ii) above, at the expense of the Institution, upon delivery by the Bondholder or the Beneficial Owner to the Institution of a letter from the Bondholder's or the Beneficial Owner's accountant stating that, in his or her reasonable opinion, interest on the Bonds is includable in the gross income of such Bondholder or Beneficial Owner for federal income tax purposes and stating the reasons for such determination. No Determination of Taxability described above will result from the inclusion of interest on any Bond in the computation of alternative minimum taxes or indirect taxes.

Disbursement Date shall mean first (1st) day of each quarter, or the immediately succeeding Business Day if such day is not a Business Day, or at such other time or times during each month as may be agreed to by the Issuer and the Trustee.

Distribution Date shall mean October 15 of each year.

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

Draw-Down Date shall mean the Closing Date and such subsequent dates on which a draw-down for the Bonds shall occur, provided, however, that (i) subsequent Draw-Down Dates shall not occur more frequently than once per quarter, (ii) subsequent Draw-Down Dates shall not occur any earlier than fifteen (15) days after the immediately preceding Draw-Down Date, (iii) no subsequent Draw-Down Date shall occur after December 1, 2020 and (iv) on each subsequent Draw-Down Date after the Closing Date, the total draw-down amount shall not be less than (a) $10,000,000 with respect to the Series 2018A Bonds and (b) $2,000,000 with respect to the Series 2018B Bonds.

DTC shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

Due Date shall have the meaning set forth in Section 9.9(a) of the Loan Agreement.

Earnings Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Elevator Project Work shall mean (i) the elevator replacement and/or upgrades at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Emergency Department Project Work shall mean (i) the design, construction, furnishing and equipping of a state-of-the-art emergency department increasing the existing emergency department from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Employment Information shall have the meaning set forth in Section 8.7(c) of the Loan Agreement.

Entity shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

Environmental Audit shall mean that certain Phase I Environmental Site Assessment Report dated October 17, 2017, prepared by the Environmental Auditor.

Environmental Auditor shall mean RSB Environmental.

Environmental Indemnity Agreement shall mean the Environmental Indemnity Agreement, dated as of the December 1, 2018, by and among the Institution, the Trustee and the Bondholder Representative, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Estimated Project Cost shall mean $87,249,037.11.

Event of Default shall have the meaning specified in Section 8.01(a) of the Indenture and Section 9.1 of the Loan Agreement.

Event of Taxability shall mean the date specified in a Determination of Taxability as the date interest paid or payable on any Bond becomes includable for federal income tax purposes in the gross income of any Holder or Beneficial Owner thereof as a consequence of any act, omission or event whatsoever, including any change of law, and regardless of whether the same was within or beyond the control of the Institution.

Existing Facility Property shall have the meaning set forth in Section 3.5(a) of the Loan Agreement.

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

Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Bonds for installation or use at the Facility Realty as part of the Project pursuant to Section 3.2 of the Loan Agreement and described in Exhibit B - "Description of the Facility Personalty" attached to the Indenture and to the Loan Agreement, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Facility Personalty and exclude all items of Facility Personalty so substituted for or replaced, and further exclude all items of Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

Facility Realty shall mean the parcels located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York as described in Exhibit A – "Description of the Facility Realty" in the appendices to the Indenture and to the Loan Agreement, and all rights or interest therein or appertaining thereto, together with all structures, buildings, 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 3.2 of the Loan Agreement), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto.

Final Project Cost Budget shall mean that certain budget of costs paid or incurred for the Project to be submitted by the Institution pursuant to Section 3.2(f) of the Loan Agreement upon completion of the Project.

Fiscal Year shall mean a year of 365 or 366 days, as the case may be, commencing on January 1 and ending on December 31 of the next calendar year, or such other fiscal year of similar length used by the Institution for accounting purposes as to which the Institution shall have given prior written notice thereof to the Issuer, the Bondholder Representative and the Trustee at least ninety (90) days prior to the commencement thereof.

Fiscal Year End Date shall mean the last day of the Institution's Fiscal Year.

Fitch shall mean Fitch, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Fixed Date Deliverables shall have the meaning set forth in Section 9.9(a)(ii) of the Loan Agreement.

GAAP shall mean those generally accepted accounting principles and practices that are recognized as such by the American Institute of Certified Public Accountants or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof, and that are consistently applied for all periods, so as to properly reflect the financial position of the Institution, except that any accounting principle or practice required to be changed by the Financial Accounting Standards Board (or other appropriate board or committee of the said Board) in order to continue as a generally accepted accounting principle or practice may be so changed.

GC shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Governing Body shall mean, when used with respect to any Entity, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Entity are exercised.

Government Obligations shall mean the following:

(i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above.

Grant Proceeds shall mean the proceeds of any grant provided to the Institution by the City or the State or any instrumentality of either.

Gross Revenues shall mean all receipts, revenues, income and other moneys received by or on behalf of the Institution, including, but without limiting the generality of the foregoing, revenues derived from the ownership or operation of all real or personal property owned by the Institution including but not limited to the Facility, casualty insurance and condemnation proceeds with respect to all real or personal property owned by the Institution including but not limited to the Facility or any portion thereof, and all rights to receive the same (including amounts retained by Institution under Section 3.5(a) of the Loan Agreement), whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; provided, however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Indebtedness) and the income derived therefrom to the extent required by such designation or specification shall be excluded from Gross Revenues.

Hazardous Materials shall mean any substance or material that is now or in the future included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "pollutant," "contaminant," "hazardous waste," or "universal waste," or in any Hazardous Materials Law, including (a) petroleum or petroleum derivatives, including crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products or waste, and waste water, (b) asbestos and asbestos-containing materials (whether friable or non-friable), (c) polychlorinated biphenyls, (d) urea formaldehyde, (e) lead and lead based paint or other lead containing materials (whether friable or non-friable), (f) microbiological pollutants, (g) batteries or liquid solvents or similar chemicals, (h) radon gas, and (i) pesticides and pesticide contaminated materials. The term "Hazardous Materials" shall not include (i) chemicals, lubricants, refrigerants, batteries and other substances kept in amounts typical for, and used as, standard janitorial supplies, office and household supplies, and the like in connection with the routine maintenance and operation of facilities similar to the Facility, to the extent kept, used and maintained in strict compliance with all such applicable Hazardous Materials Laws, (ii) gasoline, oil and other automotive products kept and used in an ordinary manner in or for the use of motor vehicles at the Project, or (iii) any substance or material that would otherwise be a Hazardous Material in environmental media (air, soil or

water) in concentrations that does not require release reporting, monitoring or investigation under Hazardous Materials Laws or removal or remediation of under Hazardous Materials.

Hazardous Materials Laws shall mean any and all applicable statutes, terms, conditions, limitations, restrictions, regulations, standards, prohibitions, obligations, schedules, plans, and timetables that are contained in or promulgated pursuant to any federal, state or local laws, whether existing now or hereinafter enacted, relating to pollution or the protection of the environment, including laws relating to emissions, discharges, releases, or threatened releases of Hazardous Materials into ambient or indoor air, surface water, ground water, drinking water, lands (including the surface and subsurface thereof), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, refinement, production, disposal, transport, or handling of Hazardous Materials, including the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA), 42 U.S.C. 9601 et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), 42 U.S.C. 6901 et seq., the Federal Water Pollution Control Act, 33 U.S.C. 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., and the Safe Drinking Water Act, 42 U.S.C. § 300f et seq. "Hazardous Materials Laws" shall not include laws relating to industrial hygiene or worker safety, except to the extent that such laws address asbestos and asbestos-containing materials (whether friable or non-friable) or lead and lead-based paint or other lead containing materials.

Impositions shall have the meaning set forth in Section 8.17(a) of the Loan Agreement.

Indebtedness shall mean (a) all obligations of the Institution for borrowed money, (b) all obligations of the Institution evidenced by bonds, debentures, notes, or other similar instruments and all reimbursement or other obligations in respect of letters of credit, bankers acceptances, or other financial products, or obligations to bonding companies, (c) all obligations of the Institution as a lessee under Capital Leases, (d) all obligations or liabilities of others secured by a Lien on any asset of the Institution, irrespective of whether such obligation or liability is assumed, (e) all obligations of the Institution to pay the deferred purchase price of assets (other than trade payables incurred in the ordinary course of business and repayable in accordance with customary trade practices and, for the avoidance of doubt, other than royalty payments payable in the ordinary course of business in respect of non-exclusive licenses), and (f) any obligation of the Institution guaranteeing or intended to guarantee (whether directly or indirectly guaranteed, endorsed, co-made, discounted, or sold with recourse) any obligation of any other Person that constitutes Indebtedness under any of clauses (a) through (e) above. For purposes of this definition, (i) the amount of any Indebtedness represented by a guaranty or other similar instrument shall be the lesser of the principal amount of the obligations guaranteed and still outstanding and the maximum amount for which the guaranteeing Person may be liable pursuant to the terms of the instrument embodying such guaranty, and (ii) the amount of any Indebtedness which is limited or is non-recourse to a Person or for which recourse is limited to an identified asset shall be valued at the lesser of (A) if applicable, the limited amount of such obligations, and (B) if applicable, the fair market value of such assets securing such obligation

Indemnification Commencement Date shall mean November 7, 2018, the date on which the Issuer first adopted a resolution with respect to the Project.

Indemnified Parties shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Indenture shall mean the Indenture of Trust, dated as of December 1, 2018, between the Issuer and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XII of the Indenture.

Independent Accountant shall mean Baker Tilly Virchow Krause, LLP, its successors and assigns, or another independent certified public account or firm of independent certified public accountants selected by the Institution and approved by the Issuer and the Trustee (such approvals not to be unreasonably withheld or delayed).

Independent Engineer shall mean a Person (not an employee of either the Issuer or the Institution or any Affiliate of either thereof) registered and qualified to practice engineering or architecture under the laws of the State, selected by the Institution, and approved in writing by the Trustee (which approval shall not be unreasonably withheld and shall be given at the direction of the Bondholder Representative, if any).

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

Initial Annual Administrative Fee shall mean $1,250.

Initial Bondholder shall mean Preston Hollow Capital, LLC.

Initial Bonds shall mean collectively, the Series 2018A Bonds and the Series 2018B Bonds.

Institution shall mean Richmond Medical Center, (d/b/a Richmond University Medical Center) a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Code, organized and existing under the laws of the State of New York, and its successors and assigns.

Institution Documents shall mean, collectively, the Loan Agreement, the Building Loan Agreement, the Mortgage, the Environmental Indemnity Agreement, the Completion Guaranty, the Agreement to Advance, the Promissory Note, the Deposit Account Control Agreement, the Tax Certificate, the Construction Disbursement and Monitoring Agreement and any other Project Documents to which the Institution is a party, each as may be amended from time to time.

Institution's Property shall have the meaning specified in Section 3.4(c) of the Loan Agreement.

Insured shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Insurer shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Interest Payment Date shall mean, with respect to (i) with respect to the Initial Bonds, semi-annually on June 1 and December 1 of each year, commencing June 1, 2019, and (ii) with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

IRS Determination Letter shall mean that certain ruling letter dated July 19, 2007 issued by the Internal Revenue Service to the Institution confirming that the Institution is a Tax-Exempt Organization.

ISO shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

ISO Form CG-0001 shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Issuer shall mean Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and its successors and assigns.

Issuer's Reserved Rights shall mean, collectively,

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement or the Indenture;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement or the Indenture;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the Institution under the Loan Agreement to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Institution under the Loan Agreement with respect to ensuring that the Facility shall always constitute the Approved Facility;

(v) the right of the Issuer to amend with the Institution the provisions of Section 5.1 of the Loan Agreement without the consent of the Trustee or any Bondholder;

(vi) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under the following Articles and Sections of the Loan Agreement: Article III (except for Section 3.1), Sections 4.4, 4.5 and 4.6, Article V, Article VI, Article VIII (except for Section 8.26), Article IX, Article X and Sections 11.1, 11.3 and 11.5, and Article XII (except Section 12.2); and

(vii) the right of the Issuer in its own behalf to declare a default with respect to any of the Issuer's Reserved Rights and exercise the remedies set forth in Section 9.2(b) of the Loan Agreement.

Kroll shall mean Kroll Bond Rating Agency, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Kroll" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Legal Requirements shall mean the Constitutions of the United States and the State of New York and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates of occupancy, directions and requirements (including zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wage, living wage, prevailing wage, sick leave, healthcare, benefits and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including those of the City, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the Institution, (ii) the Facility or any part thereof, or (iii) any use or condition of the Facility or any part thereof.

Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Initial Bonds.

Liability shall have the meaning set forth in Section 8.2(a) of the Loan Agreement.

Lien or **Liens** shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, charge, deposit arrangement, encumbrance, easement, lien (statutory or other), security interest, or other security arrangement, any judgment, decree, order, levy or process of any court or governmental body entered, made or issued and any other preference, priority, or preferential arrangement of any kind or nature whatsoever, including any conditional sale contract or other title retention agreement, the interest of a lessor under a Capital Lease and any synthetic or other financing lease having substantially the same economic effect as any of the foregoing.

Liquidity Testing Date shall mean the Fiscal Year End Date.

Liquidity to Debt Ratio shall mean, as any date of determination, the ratio determined by dividing (a) a numerator equal to Available Reserves by (b) a denominator equal to the principal amount of all Indebtedness of the Institution outstanding on the date of determination and the principal amount of the additional Indebtedness proposed to be incurred.

Loan shall mean the loan made by the Issuer to the Institution pursuant to the Loan Agreement as described in Section 4.1 of the Loan Agreement.

Loan Agreement or **Agreement** shall mean the Loan Agreement, dated as of December 1, 2018, between the Issuer and the Institution, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Loan Payment Date shall mean the twentieth (20th) day of each month (or, if the twentieth (20th) day shall not be a Business Day, the immediately preceding Business Day).

Loss Event shall have the meaning specified in Section 6.1 of the Loan Agreement.

LW has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Agreement has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Agreement Delivery Date has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Event of Default has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Law has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Term has the meaning specified in Section 8.30(b) of the Loan Agreement.

LW Violation Final Determination has the meaning specified in Section 8.30(k)(i)(1), Section 8.30(k)(i)(2)(A) or Section 8.30(k)(i)(2)(B) of the Loan Agreement, as applicable.

LW Violation Initial Determination has the meaning specified in Section 8.30(k)(i)(2) of the Loan Agreement.

LW Violation Notice has the meaning specified in Section 8.30(k)(i) of the Loan Agreement.

LW Violation Threshold has the meaning specified in Section 8.30(b) of the Loan Agreement.

Majority Holders shall mean the Beneficial Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, or, if the Bonds shall cease to be in book-entry form, the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding.

Maturity Date shall mean with respect to the Initial Bonds, December 1, 2050.

Maximum Annual Debt Service shall mean at the time of calculation, with respect to any particular Indebtedness, the largest Debt Service Requirement for the current or any future Fiscal Year, which calculation shall not include, for a particular series of Bonds, the final payment on such series of Bonds to the extent moneys are available therefor at such time of calculation in the applicable Debt Service Reserve Fund for such series of Bonds.

Merge or **Merger** shall have the meaning specified in Section 8.20(a)(v) of the Loan Agreement.

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Mortgage shall mean, collectively, the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan), each dated as of even date herewith, and each from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Mortgaged Property shall have the meaning specified in the Mortgage.

Nationally Recognized Bond Counsel shall mean Katten Muchin Rosenman LLP or other counsel acceptable to the Issuer and the Trustee and experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

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

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

Notification of Failure to Deliver shall have the meaning specified in Section 9.9(b) of the Loan Agreement.

NYCDOF shall mean the New York City Department of Finance.

NYCEDC shall mean New York City Economic Development Corporation, a New York not-for-profit corporation, and any successor thereof.

NYCIDA shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Operating Room Project Work shall mean (i) the design, construction and/or renovation of the operating room handler at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Operations Commencement Date shall have the meaning set forth in Section 5.1(a) of the Loan Agreement.

Opinion of Counsel shall mean a written opinion of counsel for the Institution or any other Person (which counsel shall be reasonably acceptable to the Bondholder Representative, the Issuer and the Trustee) with respect to such matters as required under any Project Document or as the Bondholder Representative, the Issuer or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Bondholder Representative, the Issuer and the Trustee.

Organizational Documents shall mean, (i) in the case of an Entity constituting a limited liability company, the articles of organization or certificate of formation, and the operating agreement of such Entity, (ii) in the case of an Entity constituting a corporation, the charter, articles of incorporation or certificate of incorporation, and the bylaws of such Entity, and (iii) in the case of an Entity constituting a general or limited partnership, the partnership agreement of such Entity.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) any Bond (or portion of a Bond) deemed to have been paid in accordance with Section 11.01(b) of the Indenture.

(iii) Bonds in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Indenture,

provided, however, that in determining whether the Holders or Beneficial Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any other Security Document, Bonds owned by the Institution or any Affiliate of the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Institution or any Affiliate of the Institution.

Owed Interest has the meaning specified in Section 8.30(b) of the Loan Agreement.

Owed Monies has the meaning specified in Section 8.30(b) of the Loan Agreement.

Parking Lot Project Work shall mean (i) the design and construction of the new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

Participants shall mean those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other Entity which may at any time be substituted in its place pursuant to the Indenture.

Per Diem Fees shall mean, collectively, the Per Diem Late Fee and the Per Diem Supplemental Late Fee.

Per Diem Late Fee shall mean that per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors) and that have not (x) paid to the Issuer the Annual Administrative Fee on the date required under Section 8.3 of the Loan Agreement, (y) delivered to the Issuer all or any of the Fixed Date Deliverables on the respective dates required under Section 8.14 or 8.16 of the Loan Agreement, and/or (z) delivered to the Issuer all or any of the Requested Document Deliverables under Section 8.15 of the Loan Agreement within five (5) Business Days of the Issuer having made the request therefor.

Per Diem Supplemental Late Fee shall mean that supplemental per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from general applicability as may be established by the Issuer's Board of Directors).

Permitted Encumbrances shall mean:

(i) Liens in favor of the Trustee created by the Mortgage, the Building Loan Agreement and any other Project Document;

(ii) Liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not yet due and payable;

(iii) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien, security interest, encumbrance or charge or right in respect thereof, placed on or with respect to the Facility or any part thereof, if payment is not yet due and payable, or if such payment is being disputed pursuant to Section 8.11(b) of the Loan Agreement;

(iv) utility, access and other easements and rights of way, restrictions and exceptions that are apparent from a search of the real estate records applicable to the Mortgaged

Property, or from an accurate survey, and which do not materially interfere with or impair the Institution's use and enjoyment of the Facility as provided in the Loan Agreement;

(v) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 of the Loan Agreement insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee;

(vi) Liens arising by reason of good faith deposits with the Institution in connection with the tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Institution to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges, but only with respect to the property tendered or deposited;

(vii) any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements, but only with respect to the property deposited;

(viii) any judgment Lien against the Institution, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed by the posting of a bond the payment of which would not give rise to a Lien;

(ix) any purchase money security interest in movable personal property, including equipment leases and financing not to exceed the limitations on incurrence of such indebtedness set forth in the Project Documents;

(x) any lien, security interest, encumbrances or charge to which the Trustee shall consent in writing (and given at the direction of the Bond Representative or, if there is no Bondholder Representative, the Majority Holders); and

(xi) a lien, restrictive declaration or performance mortgage with respect to the operation of the Facility arising by reason of a grant or other funding received by the Institution from the City, State or any governmental agency or instrumentality (including, without limitation, New York City Economic Development Corporation.)

Permitted Indebtedness shall have the meaning specified in Section 8.31 of the Loan Agreement.

Person shall mean an individual or any Entity.

Policy(ies) shall have the meaning specified in Section 8.1(a) of the Loan Agreement.

Predecessor Institution shall have the meaning set forth in 8.20 of the Loan Agreement.

Principals shall mean, with respect to any Entity, the most senior three officers of such Entity, any Person with a ten percent (10%) or greater ownership interest in such Entity or any Person as shall have the power to Control such Entity, and "principal" shall mean any of such Persons.

Project shall mean the financing and/or refinancing of (a) the design, construction, furnishing, and equipping of a state-of-the-art Emergency Department ("ED") increasing the existing ED from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway; (b) the design and construction of a new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York; (c) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of the land located at 355 Bard Avenue, Staten Island, New York which will be used to provide electrical energy to the Institution; (d) the infrastructure improvements, including, but not limited to, elevator upgrades and roof repair and replacement, with respect to various buildings located at 355 Bard Avenue, Staten Island, New York; (e) the existing taxable loans that were used to finance certain psychiatric facilities and robotic surgery equipment at 355 Bard Avenue and the renovation, furnishing and equipping of an existing approximately 68,000 square foot residential building located on an approximately 82,000 square foot parcel of land located at 288 Kissel Avenue, Staten Island, New York, which is primarily used to provide, among other things, employee housing to interns and residents in Institution's physician graduate education program; (f) a debt service reserve fund; and (g) certain costs related to the issuance of the Bonds.

Project Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Project Application Information shall mean the eligibility application and questionnaire submitted to the Issuer by or on behalf of the Institution, for approval by the Issuer of the Project and the providing of financial assistance by the Issuer therefor, together with all other letters, documentation, reports and financial information submitted in connection therewith

Project Completion Date shall mean the date by which all of the following conditions have been satisfied: (i) the Issuer shall have received a signed and complete certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate" attached to the Loan Agreement, together with all attachments required thereunder, (ii) the Project Work shall have been finished and shall have been completed substantially in accordance with the plans and specifications therefor, (iii) if required, the Issuer shall have received a copy of a certificate of occupancy, a temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection issued by the New York City Department of Buildings, from the Institution, (iv) there shall be no certificate, license, permit, authorization, written approval or consent or other document required to permit the occupancy, operation and use of the Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature, and (v) the Facility shall be ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines.

Project Cost Budget shall mean that certain budget for costs of the Project Work as set forth by the Institution in Exhibit E — "Project Cost Budget" attached to the Loan Agreement.

Project Costs shall mean:

(i) all costs of engineering and architectural services with respect to the Project, including the cost of test borings, surveys, estimates, permits, plans and specifications and for supervising demolition, construction and renovation, as well as for the performance of all other duties required by or consequent upon the proper construction of, and the making of alterations, renovations, additions and improvements in connection with, the completion of the Project;

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

(iii) the interest on the Bonds during the construction and renovation of the Project;

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

(v) the cost of acquisition of the Facility Realty;

(vi) all costs of title insurance as provided in Section 3.7 of the Loan Agreement;

(vii) the payment of the Costs of Issuance with respect to the Initial Bonds;

(viii) the payment of the fees and expenses of the Trustee during the period of construction and renovation of the Project;

(ix) all costs which the Institution shall be required to pay, under the terms of any contract or contracts, for the completion of the Project, including any amounts required to reimburse the Institution for advances made for any item otherwise constituting a Project Cost or for any other costs incurred and for work done which are properly chargeable to the Project; and

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

"Project Costs" shall not include (i) fees or commissions of real estate brokers, (ii) moving expenses, or (iii) operational costs.

Project Documents shall mean, collectively, the Institution Documents, the Security Documents, and any other agreement, contract, document or instrument executed by the Institution in connection with any Institution Document or Security Document.

Project Fee shall mean $520,900, representing the $535,900 Issuer's financing fee, less the application fee of $15,000.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Project Work shall mean, collectively or individually, as applicable, the Cogeneration Facility Project Work, the Elevator Project Work, the Emergency Department Project Work, the Operating Room Project Work, the Parking Lot Project Work or the Roof Project Work.

Promissory Note shall mean, (i) with respect to the Initial Bonds, that certain Promissory Note in substantially the form of Exhibit H to the Loan Agreement, (ii) with respect to any Series of Additional Bonds, that certain Promissory Note in substantially the form of any related Exhibit to an amendment to the Loan Agreement, and (iii) with respect to the Bonds, collectively, those certain Promissory Notes described in clauses (i) and (ii) above, and shall include in each case any and all amendments thereof and supplements thereto made in conformity with the Loan Agreement and the Indenture.

Qualified Investments shall mean any of the following which at the time of investment are legal investments under the laws of the State of New York for funds held by the Trustee:

(i) Government Obligations

(ii) commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from S&P and Moody's, of A1 and P1, respectively;

(iii) repurchase and reverse repurchase agreements collateralized with Government Obligations, including those of the Trustee or any of its affiliates;

(iv) investments in money market mutual funds having a rating at time of investment in the highest investment category granted thereby from S&P or Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to the Indenture which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

(v) demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Trustee or any of its affiliates, rated in the AA long-term ratings category or higher by S&P or Moody's or which are fully FDIC-insured;

(vi) direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's or S&P;

(vii) direct and general short-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in the highest rating category by Moody's and S&P;

(viii) other obligations, interest on which is excludable from gross income for purposes of federal income taxation, which are rated in the two highest rating categories by S&P and Moody's; and

(ix) investment agreements, including guaranteed investment contracts, repurchase agreements and forward delivery agreements, that are obligations of an entity rated, or whose obligations are rated, or guaranteed by an entity which is rated or whose obligations are

rated, (at the time the investment is entered into) not lower than A3 by Moody's or its equivalent from another Rating Agency.

Qualified Workforce Program has the meaning specified in Section 8.30(b) of the Loan Agreement.

Rating Agency shall mean any of S&P, Moody's, Fitch or Kroll and such other nationally recognized securities rating agency as shall have awarded a rating to the Initial Bonds.

Rating Category shall mean one of the generic rating categories of a Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rebate Amount shall have the meaning assigned to that term in the Tax Certificate.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Recapture Event shall have the meaning set forth in Section 5.1(a) of the Loan Agreement.

Recapture Period shall have the meaning set forth in Section 5.1(a) of the Loan Agreement.

Record Date shall mean, with respect to any Interest Payment Date for the Initial Bonds, the close of business on the fifteenth (15th) day of the month next preceding such Interest Payment Date, or, if such day is not a Business Day, the next preceding Business Day.

Redemption Date shall mean the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Refunding Bonds shall have the meaning assigned to that term in Section 2.07(c) of the Indenture.

Related Security Documents shall mean all Security Documents other than the Indenture.

Renewal Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Representations Letter shall mean the Blanket Issuer Letter of Representations from the Issuer to DTC.

Requested Document Deliverables shall have the meaning set forth in Section 9.9(a) of the Loan Agreement.

Required Disclosure Statement shall mean that certain Required Disclosure Statement in the form of Exhibit F — "Form of Required Disclosure Statement" attached to the Loan Agreement.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in the Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

Restricted Funds shall mean funds derived from any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to one or more particular purposes.

Roof Project Work shall mean (i) the roof repair and/or replacement at various buildings located at 355 Bard Avenue, Staten Island, New York, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Facility Personalty and any work required to install same.

S&P shall mean S&P Global Ratings Inc., a corporation organized and existing under the laws of the State, its successors and assigns, and if such limited liability company shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

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

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Securities Exchange Act shall mean the Securities Exchange Act of 1934, as amended, together with any rules and regulations promulgated thereunder.

Security Document Action shall have the meaning set forth in Section 8.12 of the Indenture.

Security Documents shall mean, collectively, the Loan Agreement, the Promissory Note, the Indenture, the Tax Certificate, the Building Loan Agreement, the Mortgage, the Environmental Indemnity Agreement, the Completion Guaranty, and the Deposit Account Control Agreement.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series 2018A Bonds shall mean the Issuer's up to $102,065,000 Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A Bonds, as authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2018A Bonds Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018A Bonds Debt Service Reserve Account shall mean the special trust account of the Debt Service Reserve Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018B Bonds shall mean the Issuer's up to $30,000,000 Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B Bonds, as authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2018B Bonds Capitalized Interest Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

Series 2018B Bonds Debt Service Reserve Account shall mean the special trust account of the Debt Service Reserve Fund so designated, established pursuant to Section 5.01 of the Indenture

Short-Term Indebtedness shall mean any obligation for the repayment of moneys borrowed by the Institution from a Person which matures not later than one (1) year after it is incurred.

Sign shall have the meaning specified in Section 8.5 of the Loan Agreement.

Sinking Fund Installment shall mean an amount so designated and which is established for mandatory redemption on a date certain of the Bonds of any Series of Bonds pursuant to the Indenture. The portion of any such Sinking Fund Installment of a Series of Bonds remaining after the deduction of any amounts credited pursuant to the Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments of such Series of Bonds due on a future date.

SIR shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Site Affiliates has the meaning specified in Section 8.30(b) of the Loan Agreement.

Site Employee has the meaning specified in Section 8.30(b) of the Loan Agreement.

Small Business Cap has the meaning specified in Section 8.30(b) of the Loan Agreement.

Special Record Date shall have the meaning specified in Section 2.02(g) of the Indenture.

Specified Contract has the meaning specified in Section 8.30(b) of the Loan Agreement.

State shall mean the State of New York.

Substitute Entity shall have the meaning set forth in Section 8.12 of the Indenture.

Successor Institution shall have the meaning specified in Section 8.20(b)(ii) of the Loan Agreement.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Issuer and the Trustee in accordance with Article XII of the Indenture.

Tax Certificate shall mean the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, dated the Closing Date, of the Issuer and the Institution, together with all exhibits and schedules attached thereto, including, but not limited to, the

Certificate of the Institution as to 501(c)(3) Status and as to Representations and Information Regarding Tax-Exempt Financing Matters.

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

Taxable Rate shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law, and (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law.

Termination Date shall mean such date on which the Loan Agreement may terminate pursuant to Article X of the Loan Agreement.

Total Cash Operating Expenses shall mean with respect to the Institution, as of any date of determination, and for the applicable period of determination, total cash operating expenses and capital repair costs for such period, as determined in accordance with GAAP consistently applied, including legal and accounting fees and expenses and the reasonable fees and expenses of Trustee, the fees, expenses and indemnity payment owing to Issuer, including Issuer's fees and expenses, pursuant to the Indenture and Administrative Expenses.

Transfer shall have the meaning specified in Section 8.20(a)(iv) of the Loan Agreement.

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

Trust Corpus shall have the meaning set forth in Section 9.07 of the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

U/E shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Underwriter shall mean Cain Brothers, a division of KeyBanc Capital Markets Inc.

Workers' Compensation shall have the meaning set forth in Section 8.1(a) of the Loan Agreement.

Yield shall have the meaning assigned to such term in the Tax Certificate.

EXHIBIT A

DESCRIPTION OF THE FACILITY REALTY

Title No. 3019-890775
AMENDED 11/16/2018 (rjw)

SCHEDULE "A"

LOT 1:

ALL THAT PARCEL OF LAND SITUATE, LYING AND BEING IN THE BOROUGH OF STATEN ISLAND, COUNTY OF RICHMOND, CITY AND STATE OF NEW YORK, COMPRISING PART OF LOTS NUMBERS 8 AND 32 AND THE WHOLE OF LOTS NUMBERS 9, 10, 11, 12, 33, 34, 35 AND 36, AS SHOWN ON A CERTAIN MAP ENTITLED "MAP OF PROPERTY ADJOINING NEW BRIGHTON, STATEN ISLAND, DRAWN BY JAMES LYONS, NEW BRIGHTON, JUNE 24, 1837", AND FILED IN THE OFFICE OF THE CLERK OF RICHMOND COUNTY, MARCH 10, 1842 ROLLED MAP NO. 19-C, THE WHOLE OF SAID PLOT OR PARCEL BEING BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE CORNER FORMED BY THE INTERSECTION OF THE NORTHERLY SIDE OF CASTLETON AVENUE WITH THE EASTERLY SIDE OF BARD AVENUE;

RUNNING THENCE NORTHERLY ALONG THE EASTERLY SIDE OF BARD AVENUE, NORTH 9° 07' 09" WEST 872.78 FEET (U.S. STD.) TO A POINT THEREIN DISTANT 75 FEET SOUTHERLY FROM THE SOUTHERLY SIDE OF MOODY AVENUE;

THENCE NORTH 81° 13' 07" EAST 382.33 FEET TO A POINT;

THENCE SOUTH 8° 17' 04" EAST 300.00 FEET TO A POINT;

THENCE NORTH 81° 13' 07" EAST 277.80 FEET TO THE WESTERLY SIDE OF KISSEL AVENUE;

THENCE SOUTHERLY ALONG THE WESTERLY SIDE OF KISSEL AVENUE, SOUTH 9° 08' 48" EAST 667.02 FEET TO THE NORTHERLY SIDE OF CASTLETON AVENUE;

THENCE WESTERLY ALONG THE NORTHERLY SIDE OF CASTLETON AVENUE THE FOLLOWING COURSES AND DISTANCES TO THE POINT OR PLACE OF BEGINNING:

SOUTH 88° 20' 23" WEST 46.47 FEET;
SOUTH 86° 25' 49" WEST 131.44 FEET;
NORTH 89° 42' 57" WEST 485.69 FEET;

EXCEPTING THEREFROM THE PORTION OF PREMISES WHICH MAY HAVE BEEN TAKEN FOR THE WIDENING OF KISSEL AVENUE AND CASTLETON AVENUE.

LOT 262:

ALL THAT CERTAIN LOT, PIECE OR PARCEL OF LAND, SITUATE, LYING AND BEING IN THE BOROUGH AND COUNTY OF RICHMOND, CITY AND STATE OF NEW YORK, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY LINE OF KISSEL AVENUE DISTANT 75.00 FEET SOUTHERLY FROM THE CORNER FORMED BY THE INTERSECTION OF THE WESTERLY LINE OF KISSEL AVENUE AND THE SOUTHERLY LINE OF MOODY PLACE AND AT THE SOUTHERLY LINE OF LAND OF THE ROKEBY-KISSEL ESTATE AS MAP NO 1381, RICHMOND COUNTY, COORDINATES OF SAID POINT OF BEGINNING ARE SOUTH 7491.611 AND WEST 17166.331, SAID POINT OF BEGINNING BEING FURTHER DESCRIBED AS BEING NORTH 15° 05' 41" WEST 1003.38 FEET FROM BOROUGH OF RICHMOND MONUMENT NO. 1577, COORDINATES OF SAID MONUMENT ARE SOUTH 8476.235 AND WEST 16973 250;

CONTINUED ..

Title No. 3019-890775
SCHEDULE "A" CONTINUED

RUNNING THENCE SOUTH 81° 13' 07" WEST AND ALONG THE SOUTHERLY BOUNDARY LINE OF MAP OF THE ROKEBY-KISSEL ESTATE FILED AS MAP NO. 1381, RICHMOND COUNTY, 263.00 FEET TO A POINT;

RUNNING THENCE, SOUTH 08° 17' 04" EAST AND THROUGH LAND OF ST. VINCENT'S HOSPITAL, 300.00 FEET TO A POINT;

RUNNING THENCE, NORTH 81° 13' 07" EAST AND STILL THROUGH THE LANDS OF ST. VINCENT'S HOSPITAL, 273.28 FEET TO THE LAND NOW OR FORMERLY OF THE TRUSTEES OF THE SAILORS SNUG HARBOR;

RUNNING THENCE NORTHERLY AND ALONG SAID LAND NOW OR FORMERLY OF THE TRUSTEES OF THE SAILORS SNUG HARBOR, NORTH 09° 08' 48" WEST 299.99 FEET TO A POINT;

RUNNING THENCE, SOUTH 81° 13' 07" WEST 10.28 FEET TO THE POINT OR PLACE OF BEGINNING.

T**HE** policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

EXHIBIT B

DESCRIPTION OF THE FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation and/or use at Facility financed with the proceeds of the Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A and Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B

EXHIBIT C

AUTHORIZED REPRESENTATIVE OF INSTITUTION

Name	Title	Signature
Daniel Messina	President and Chief Executive Officer	_____
Rosemarie Stazzone	Chief Nursing Officer and Chief Operating Officer	_____
Joseph Saporito	Senior Vice President and Chief Financial Officer	_____

***** See Secretary's Certificate of the Institution**

EXHIBIT D

PRINCIPALS OF THE INSTITUTION

Name	Title
Daniel J. Messina	President and Chief Executive Officer
Pietro Carpenito, MD	Executive Vice President
Rosemarie Stazzone, RN	Chief Nursing Officer Chief Operating Officer
Joseph Saporito, CPA	Senior Vice President Chief Financial Officer
Mitchell Fogel, MD	Senior Vice President Chief Medical Officer
Richard Salhany	Senior Vice President for Strategic Planning and Medical Operations
Brian Moody, Esq.	Senior Vice President of Legal Affairs and Risk Management, General Counsel
Laura Gajda	Vice President of Development
Ron Musselwhite, Esq.	Vice President of Human Resources
Nicholas Szymanski	Vice President of Information Technology, Chief Information Officer

EXHIBIT E

PROJECT COST BUDGET

	Bond Proceeds	Grant Proceeds	Equity	Total Project Costs
ED Project	$ 44,756,417	$ 29,000,000	$ 7,800,000	$ 81,556,417
Co-Gen Project	17,366,355	11,600,000	-	28,966,355
Infrastructure	12,000,000	-	-	12,000,000
Refinancings	6,834,490	-	-	6,834,490
Projects	***$ 80,957,262***	***$ 40,600,000***	***$ 7,800,000***	***$ 129,357,262***
Capitalized Interest	$ 7,535,322	$ -	$ -	$ 7,535,322
Debt Service Reserve Fund	7,973,125	-	-	7,973,125
Professional Fees, Soft Costs	2,533,000	-	200,000	2,733,000
Total Project Costs	***98,998,709***	***40,600,000***	***8,000,000***	***147,598,709***

EXHIBIT F

FORM OF REQUIRED DISCLOSURE STATEMENT

The undersigned, an authorized representative of _____, a _____ organized and existing under the laws of the State of _____, DOES HEREBY CERTIFY, REPRESENT AND WARRANT to Build NYC Resource Corporation (the "Issuer") pursuant to [Section 8.20] [Section 8.9] of that certain Loan Agreement, dated as of December 1, 2018, between the Issuer and Richmond Medical Center, a not-for-profit corporation organized and existing under the laws of the State of New York (the "Loan Agreement") THAT:

[if being delivered pursuant to 8.20 of the Loan Agreement] None of the surviving, resulting or transferee Entity, any of the Principals of such Entity, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Entity:

[if being delivered pursuant to 8.9 of the Loan Agreement] None of the assignee, transferee or lessee Entity, any of the Principals of such Entity, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Entity:

(1) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the NYCIDA, the NYCEDC or the City, unless such default or breach has been waived in writing by the Issuer, the NYCIDA, the NYCEDC or the City, as the case may be;

(2) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five (5) years;

(3) has been convicted of a felony in the past ten (10) years;

(4) has received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; or

(5) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is currently being contested with due diligence in proceedings in court or other appropriate forum.

As used herein, the following capitalized terms shall have the respective meanings set forth below:

"City" shall mean The City of New York.

"Control" or "Controls" shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

"Entity" shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

"Governing Body" shall mean, when used with respect to any Person, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Person are exercised.

"NYCEDC" shall mean New York City Economic Development Corporation, a New York not-for-profit corporation, and any successor thereof.

"NYCIDA" shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

"Person" shall mean an individual or any Entity.

"Principal(s)" shall mean, with respect to any Entity, the most subordinate three officers of such Entity, any Person with a ten percent (10%) or greater ownership interest in such Entity, and any Person as shall have the power to Control such Entity, and "principal" shall mean any of such Persons.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this ____ day of _____, 20__.

[NAME OF CERTIFYING ENTITY]

By: _____
Name:
Title:

EXHIBIT G

FORM OF
PROJECT COMPLETION CERTIFICATE OF INSTITUTION
AS REQUIRED BY SECTIONS 3.2(f) AND 8.14(g)
OF THE LOAN AGREEMENT

The undersigned, Authorized Representatives (as defined in the Loan Agreement referred to below) of Richmond Medical Center, a not-for-profit corporation organized and existing under the laws of the State of New York (the "Institution") HEREBY CERTIFY that this Certificate is being delivered in accordance with the provisions of Section 3.2(f) and 8.14(g) of that certain Loan Agreement, dated as of December 1, 2018 (the "Loan Agreement"), between Build NYC Resource Corporation (the "Issuer") and the Institution, and FURTHER CERTIFY THAT (capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Loan Agreement):

(i) each Project Work is finished and has been completed substantially in accordance with the plans and specifications therefor;

(ii) attached hereto is a copy of one of the following (check only one and attach a copy of the indicated document) (if applicable):

☐ certificate of occupancy, or

☐ temporary certificate of occupancy; or

☐ not applicable;

(iii) there is no certificate, license, permit, written approval or consent or other document required to permit the occupancy, operation and use of the Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature;

(iv) upon receipt of funds pursuant to the last requisition submitted pursuant to the Indenture, all Initial Bonds Proceeds have been or will be expended as follows:

$_____ for the Cogeneration Facility Project Work;

$_____ for the Elevator Project Work;

$_____ for the Emergency Department Project Work;

$_____ for the Parking Lot Project Work;

$_____ for the Operating Room Project Work; and

$_____ for the Roof Project Work.

(v) the Facility is ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines;

(vi) check as applicable:

☐ all costs for Project Work have been paid, or

☐ all costs for Project Work have been paid except for

☐ amounts not yet due and payable (attach itemized list) and/or

☐ amounts the payments for which are being contested in good faith (attach itemized list with explanations); and

(vii) waivers of mechanics' liens have been obtained from the general contractor and from all contractors and materialmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with the Project Work, except for releases-of-liens pertinent to (y) amounts not yet due and payable, or (z) any amount the payment of which is being contested in good faith; copies of all such releases of mechanics' liens are attached hereto.

[ATTACH to this Certificate copies of all such releases of liens.]

Notwithstanding anything herein or elsewhere that may be inferred to the contrary, the undersigned hereby understands and agrees on behalf of the Institution as follows: (a) the Issuer does not waive its right to require delivery of releases-of-liens in connection with the costs of Project Work; (b) the Issuer does not waive its right under the Loan Agreement to demand the discharge of mechanics' and materialmens' liens encumbering the Facility Realty, whether by bond or otherwise; and (c) the Certificate shall be deemed incomplete if, in the Issuer's sole discretion, the Institution has unreasonably failed to bond or otherwise discharge any liens in respect of the costs of Project Work when payment for the same is due.

This Certificate is given without prejudice to any rights of the Institution against third parties existing on the date hereof or which may subsequently come into being and no Person other than the Issuer may benefit from this Certificate.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this _____ day of _____, ____.

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By:_____
Name:
Title:

EXHIBIT H

FORM OF PROMISSORY NOTE

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS PROMISSORY NOTE, THIS PROMISSORY NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH OF WHICH ARE REFERRED TO HEREIN.

[Up to $102,065,000] [Up to $30,000,000] December 20, 2018

PROMISSORY NOTE

FOR VALUE RECEIVED, RICHMOND MEDICAL CENTER, D/B/A RICHMOND MEDICAL CENTER, a not-for-profit corporation organized and existing under the laws of the State of New York (the "**Institution**" or the "**Borrower**"), by this promissory note hereby promises to pay to the order of BUILD NYC RESOURCE CORPORATION (the "**Issuer**"), the principal sum of [up to One Hundred Two Million Sixty-Five Thousand Dollars ($102,065,000)] [up to Thirty Million Dollars ($30,000,000)], together with interest on the unpaid principal amount hereof, from the date of the issuance and delivery of the [Series 2018A Bonds][Series 2018B Bonds] (as such term is hereinafter defined) until paid in full, at a rate per annum equal to the respective rates of interest borne from time to time by the [Series 2018A Bonds][Series 2018B Bonds], together with all Sinking Fund Installments and Redemption Price payments as and when due. All capitalized terms used but not defined in this Promissory Note shall have the respective meanings assigned such terms by the Indenture (as hereinafter defined) or by the Loan Agreement (as hereinafter defined). All such payments shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States of America and shall be paid at the designated corporate trust office of the Trustee or its successor under the Indenture.

The principal amount, interest, Sinking Fund Installments and Redemption Price shall be payable on the dates and in the amounts that principal of, interest, Sinking Fund Installments and Redemption Price on the [Series 2018A Bonds][Series 2018B Bonds] are payable under the Loan Agreement, subject to prepayments and credits to the extent provided in the Indenture and the Loan Agreement.

This promissory note is a "Promissory Note" referred to in the Loan Agreement, dated as of December 1, 2018 (as the same may be amended or supplemented, the "**Loan Agreement**"), between the Borrower and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Promissory Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to U.S Bank National Association, as the trustee (the "**Trustee**") under the Indenture of Trust, dated as of December 1, 2018 (as the same may be amended or supplemented, the "**Indenture**"), by and between the Issuer and the Trustee, and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment Such assignment is made as security for the payment of the Issuer's [up to $102,065,000] in aggregate principal amount of Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A (the "**Series 2018A Bonds**")[up to $30,000,000] in aggregate principal amount of Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B (the "**Series 2018B Bonds**")], issued by the Issuer pursuant to the Indenture All the terms, conditions and provisions of the Indenture, the Loan

Agreement and the [Series 2018A Bonds][Series 2018B Bonds] are hereby incorporated as a part of this Promissory Note.

The Borrower may at its option, and may under certain circumstances be required to, prepay together with accrued interest, all or any part of the amounts due under this Promissory Note, as provided in the Loan Agreement and the Indenture.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

The Borrower hereby promises to pay costs of collection and attorneys' fees in case of default on this Promissory Note.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles thereof.

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By:_____
Joseph Saporito
Senior Vice President and
Chief Financial Officer

ENDORSEMENT

Pay to the order of U.S. BANK NATIONAL ASSOCIATION, without recourse, as Trustee under the Indenture referred to in the within mentioned Loan Agreement, as security for the [Series 2018A Bonds][Series 2018B Bonds] issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Promissory Note.

BUILD NYC RESOURCE CORPORATION

By:_____
Krishna Omolade
Deputy Executive Director

Dated: December 20, 2018

EXHIBIT I

HireNYC

The Institution must collaborate with the New York City Department of Small Business Services or such other New York City agency as may be designated by NYCEDC in a notice to the Institution ("**Designated City Agency**"). The Designated City Agency will assist the Institution in implementing the HireNYC Program including the screening of candidates from the target population ("**Target Population**"), defined as persons who have an income that is below two hundred percent (200%) of the poverty level as determined by the New York City Center for Economic Opportunity (a description of the income level meeting this threshold for each household size is available at http://www.nyc.gov/html/ceo/downloads/pdf/ceo_poverty_measure_2005_2013.pdf). The HireNYC Program will be in effect for a period of eight (8) years from the Operations Commencement Date ("**HireNYC Program Term**").

The HireNYC Program will apply to the Institution, its successors and assigns, and to all tenants (which term also includes subtenants) at the Facility during the HireNYC Program Term.

I. Goals. The HireNYC Program includes, at a minimum, the following hiring and workforce development goals (collectively, the "**Goals**"):

Hiring Goal:	Fifty percent (50%) of all new permanent jobs created in connection with the Facility (including jobs created by tenants, but excluding jobs relocated from other sites) will be filled by members of the Target Population referred by the Designated City Agency for a period beginning, for each employer, at commencement of business operations and continuing through the end of the HireNYC Program Term. Notwithstanding the foregoing, the Hiring Goal shall only apply to hiring on occasions when the Institution (or a tenant) is hiring for five (5) or more permanent jobs at one time.
Retention Goal:	Forty percent (40%) of all employees whose hiring satisfied the Hiring Goal will be retained for at least nine (9) months from date of hire.
Advancement Goal:	Thirty percent (30%) of all employees whose hiring satisfied the Hiring Goal will be promoted to a higher paid position within one (1) year of date of hire.
Training Goal:	Cooperation with NYCEDC and the Designated City Agency to provide skills-training or higher education opportunities to members of the Target Population.

II. Program Requirements. HireNYC Program includes all of the following requirements:

1. Designation of a workforce development liaison by the Institution to interact with NYCEDC and the Designated City Agency during the course of the HireNYC Program.

2. Commitment by the Institution to do the following

   a use good faith efforts to achieve the Goals:

b. notify NYCEDC six (6) weeks prior to commencing business operations;

c. with respect to initial hiring for any new permanent jobs associated with the commencement of business at the Facility (but only if initial hiring is for five (5) or more permanent jobs):

(i) provide NYCEDC and the Designated City Agency with the approximate number and type of jobs that will become available, and for each job type a description of the basic job qualifications, at least three (3) months before commencing hiring; and

(ii) consider only applicants referred by the Designated City Agency for the first ten (10) business days of interviewing, until the Hiring Goal is achieved or until all open positions are filled, whichever occurs first;

d. with respect to ongoing hiring on occasions when hiring for five (5) or more permanent jobs at one time:

(i) provide NYCEDC and the Designated City Agency with the approximate number and type of jobs that will become available, and for each job type a description of the basic job qualifications, at least one (1) month before commencing hiring or as soon as information is available, but in all cases not later than one (1) week before commencing hiring; and

(ii) consider only applicants referred by the Designated City Agency for the first five business days of interviewing. until the Hiring Goal is achieved or until all open positions are filled, whichever occurs first;

e. notify NYCEDC thirty (30) days prior to execution of any tenant lease at the Facility;

f. provide NYCEDC with one (1) electronic copy of all tenant leases at the project location within fifteen (15) days of execution;

g. submit to NYCEDC an annual HireNYC Employment Report in the form provided by NYCEDC (or quarterly reports at the discretion of NYCEDC);

h. cooperate with annual site visits and, if requested by NYCEDC, employee satisfaction surveys relating to employee experience with the Institution's HireNYC Program upon reasonable notice;

i. provide information related to the HireNYC Program and the hiring process to NYCEDC upon request. and

j. allow information collected by NYCEDC and the Designated City Agency to be included in public communications, including press releases and other media events.

III. General Requirements. The following are general requirements of the HireNYC Program

1. The Institution is required to incorporate the terms of its HireNYC Program into all tenant leases obligating tenants to comply with the Goals and other requirements in the Institution's HireNYC

Program to the same extent as the Institution is required to comply with such Goals and other requirements.

2. Enforcement. In the event NYCEDC determines that the Institution or any of its tenants has violated any of the HireNYC Program requirements, including, without limitation, a determination that the Institution or any of its tenants, has failed to use good faith efforts to fulfill the Goals, NYCEDC shall notify the Issuer of the violation and the Issuer may (1) assess liquidated damages set forth immediately below; and/or (2) assert any other right or remedy it has under the Agreement.

3. Liquidated Damages. If the Institution or any of its tenants, does any of the following:

(i) fail to comply with its obligations set forth in Section II(2) clauses (a)(with respect to the Hiring Goal), (c), and/or (d), and as a result the Designated City Agency was unable to refer applicants or participate in the hiring process as required by the program; or

(ii) fail to comply with its obligations set forth in Section II(2) clauses, (f), (g), (h), (i), and/or (j) and such failure shall continue for a period of thirty (30) days after receipt of notice from NYCEDC,

then, in the case of clause (i), the Issuer may assess liquidated damages in the amount of $2,500 for each position for which the Designated City Agency was unable to refer applicants or otherwise participate in hiring as required by the program; and in the case of clause (ii), the Issuer may assess damages for breach of each requirement in the amount of $1,000. In view of the difficulty of accurately ascertaining the loss which the Issuer will suffer by reason of the Institution's failure to comply with Program requirements, the foregoing amounts are hereby fixed and agreed as the liquidated damages that the Issuer will suffer by reason of such failure, and not as a penalty. The Institution shall be liable for and shall pay to the Issuer all damages assessed against the Institution or any of its tenants at the project upon receipt of demand from the Issuer.

EXHIBIT J

FORM OF LW AGREEMENT

LIVING WAGE AGREEMENT

This LIVING WAGE AGREEMENT (this "Agreement") is made as of [_____], by [_____] ("Obligor") in favor of Institution, the Issuer, the City, the DCA and the Comptroller (each as defined below) (each, an "Obligee"). In consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Obligor hereby covenants and agrees as follows:

1. Definitions. As used herein the following capitalized terms shall have the respective meanings specified below.

"Affiliate" means, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person.

"Asserted Cure" has the meaning specified in paragraph 10(a).

"Asserted LW Violation" has the meaning specified in paragraph 10(a).

"City" means The City of New York.

"Comptroller" means the Comptroller of The City of New York or his or her designee.

"Concessionaire" means a Person that has been granted the right by Institution, an Affiliate of Institution or any tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution to operate at the Facility for the primary purpose of selling goods or services to natural persons at the Facility.

"Control" or "Controls", including the related terms "Controlled by" and "under common Control with", means the power to direct the management and policies of a Person (a) through the ownership, directly or indirectly, of not less than a majority of its voting equity, (b) through the right to designate or elect not less than a majority of the members of its board of directors, board of managers, board of trustees or other governing body, or (c) by contract or otherwise.

"Covered Counterparty" means a Covered Employer whose Specified Contract is directly with Obligor or an Affiliate of Obligor to lease, occupy, operate or perform work at the Obligor Facility.

"Covered Employer" means any of the following Persons: (a) Obligor, (b) a tenant, subtenant, leaseholder or subleaseholder of Obligor that leases any portion of the Obligor Facility (or an Affiliate of any such tenant, subtenant, leaseholder or subleaseholder if such Affiliate has one or more direct Site Employees), (c) a Concessionaire that operates on any portion of the Obligor Facility, and (d) a Person that contracts or subcontracts with any Covered Employer described in clauses (a), (b) or (c) above to perform work for a period of more than ninety days on any portion of the Obligor Facility, including temporary services or staffing agencies, food service contractors, and other on-site service contractors; provided, however, that the term "Covered Employer" shall not include (i) a Person of the type described in Section 6-134(d)(2).

(3), (4) or (5) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Obligor Facility if residential units comprise more than 75% of the total Facility area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, or (vi) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

"DCA" means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

"Facility" means the land and improvements located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York.

"Institution" means Richmond Medical Center, d/b/a Richmond University Medical Center, a not-for-profit corporation, organized and existing under the laws of the State of New York, having its principal office at 355 Bard Avenue, Staten Island, New York 10310, or its permitted successors or assigns under the Project Agreement.

"Issuer" means Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038.

"LW" has the same meaning as the term "living wage" as defined in Section 6-134(b)(9) of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour ($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

"LW Agreement" means, with respect to any Covered Counterparty, an enforceable agreement in the form attached hereto as Attachment 1 (except only with such changes as are necessary to make such Covered Counterparty the obligor thereunder).

"LW Agreement Delivery Date" means, with respect to any Covered Counterparty, the latest of (a) the effective date of such Covered Counterparty's Specified Contract, (b) the date that such Covered Counterparty becomes a Covered Employer at the Obligor Facility and (c) the date of this Agreement.

"LW Law" means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the

New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"LW Term" means the period commencing on the date of this Agreement and ending on the date that is the earlier to occur of: (a) the later to occur of (i) the date on which Institution is no longer receiving financial assistance under the Project Agreement or (ii) the date that is ten years after the Facility commences operations; or (b) the end of the term of Obligor's Specified Contract (including any renewal or option terms pursuant to any exercised options), whether by early termination or otherwise.

"LW Violation Final Determination" has the meaning specified in paragraph 10(a)(i), paragraph 10(a)(ii)(1) or paragraph 10(a)(ii)(2), as applicable.

"LW Violation Initial Determination" has the meaning specified in paragraph 10(a)(ii).

"LW Violation Notice" has the meaning specified in paragraph 10(a).

"LW Violation Threshold" means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

"Obligor Facility" means the applicable portion of the Facility covered by the Specified Contract of Obligor.

"Operational Date" means the date that Obligor commences occupancy, operations or work at the Obligor Facility.

"Owed Interest" means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

"Owed Monies" means, as the context shall require, either (a) the total deficiency of LW required to be paid by Obligor in accordance with this Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis; or (b) if Obligor failed to obtain a LW Agreement from a Covered Counterparty as required under paragraph 5 below, the total deficiency of LW that would have been required to be paid under such Covered Counterparty's LW Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis, during the period commencing on the LW Agreement Delivery Date applicable to such Covered Counterparty and ending immediately prior to the execution and delivery by such Covered Counterparty of its LW Agreement (if applicable).

"Person" means any natural person, sole proprietorship, partnership, association, joint venture, limited liability company, corporation, governmental authority, governmental agency, governmental instrumentality or any form of doing business

"Pre-Existing Covered Counterparty" has the meaning specified in paragraph 5.

"Pre-Existing Specified Contract" has the meaning specified in paragraph 5.

"Project Agreement" means that certain Loan Agreement, dated as of December 1, 2018, between the Issuer and the Institution (as amended, restated, supplemented or otherwise modified from time to time), pursuant to which Institution has or will receive financial assistance from the Issuer.

"Qualified Workforce Program" means a training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations and that has been determined to be a Qualified Workforce Program by the Director of the Mayor's Office of Workforce Development.

"Site Employee" means, with respect to any Covered Employer, any natural person who works at the Obligor Facility and who is employed by, or contracted or subcontracted to work for, such Covered Employer, including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis; provided that the term "Site Employee" shall not include any natural person who works less than seventeen and a half (17.5) hours in any consecutive seven day period at the Obligor Facility unless the primary work location or home base of such person is at the Obligor Facility (for the avoidance of doubt, a natural person who works at least seventeen and a half (17.5) hours in any consecutive seven day period at the Obligor Facility shall thereafter constitute a Site Employee).

"Small Business Cap" means three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with the adjustment to the "living wage rate" component of the LW using the methodology set forth in Section 6-134(b)(9) of the New York City Administrative Code.

"Specified Contract" means (a) in the case of Obligor, the [_____], dated as of [_____], by and between Obligor and [_____], or (b) in the case of any other Person, the principal written contract that makes such Person a Covered Employer hereunder.

2. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall pay each of its direct Site Employees no less than an LW.

3. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall, on or prior to the day on which each direct Site Employee of Obligor begins work at the Obligor Facility, (a) post a written notice detailing the wages and benefits required to be paid to Site Employees under this Agreement in a conspicuous place at the Obligor Facility that is readily observable by such direct Site Employee and (b) provide such direct Site Employee with a written notice detailing the wages and benefits required to be paid to Site Employees under this Agreement. Such written notice shall also provide a statement advising Site Employees that if they have been paid less than the LW they may notify the Comptroller and request an investigation. Such written notice shall be in English and Spanish.

4. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall not take any adverse employment action against any Site Employee for reporting or asserting a violation of this Agreement.

5. During the LW Term, Obligor shall cause each Covered Counterparty to execute an LW Agreement on or prior to the LW Agreement Delivery Date applicable to such Covered Counterparty; provided that Obligor shall only be required to use commercially reasonable efforts (without any obligation to commence any action or proceedings) to obtain an LW Agreement from a Covered Counterparty whose Specified Contract with Obligor was entered into prior to the date hereof (a "Pre-Existing Covered Counterparty" and a "Pre-Existing Specified Contract"). Prior to the renewal or extension of any Pre-Existing Specified Contract (or prior to entering into a new Specified Contract with a Pre-Existing Covered Counterparty), Obligor shall cause or otherwise require the Pre-Existing Covered Counterparty to execute an LW Agreement, provided that the foregoing shall not preclude Obligor from renewing or extending a Pre-Existing Specified Contract pursuant to any renewal or extension options granted to the Pre-Existing Covered Counterparty in the Pre-Existing Specified Contract as such option exists as of the date hereof. Obligor shall deliver a copy of each Covered Counterparty's LW Agreement to the Issuer, the DCA and the Comptroller at the notice address specified in paragraph 12 below and promptly upon written request. Obligor shall retain copies of each Covered Counterparty's LW Agreement until six (6) years after the expiration or earlier termination of such Covered Counterparty's Specified Contract.

6. Commencing on the Operational Date and thereafter during the remainder of the LW Term, in the event that an individual with managerial authority at Obligor receives a written complaint from any Site Employee (or such individual otherwise obtains actual knowledge) that any Site Employee has been paid less than an LW, Obligor shall deliver written notice to the Issuer, the DCA and the Comptroller within 30 days thereof.

7. Obligor hereby acknowledges and agrees that the Issuer, the City, the DCA and the Comptroller are each intended to be direct beneficiaries of the terms and provisions of this Agreement. Obligor hereby acknowledges and agrees that the DCA, the Comptroller and the Issuer shall each have the authority and power to enforce any and all provisions and remedies under this Agreement in accordance with paragraph 10 below. Obligor hereby agrees that the DCA, the Comptroller and the Issuer may, as their sole and exclusive remedy for any violation of Obligor's obligations under this Agreement, bring an action for damages (but not in excess of the amounts set forth in paragraph 10 below), injunctive relief or specific performance or any other non-monetary action at law or in equity, in each case subject to the provisions of paragraph 10 below, as may be necessary or desirable to enforce the performance or observance of any obligations, agreements or covenants of Obligor under this Agreement. The agreements and acknowledgements of Obligor set forth in this Agreement may not be amended, modified or rescinded by Obligor without the prior written consent of the Issuer or the DCA.

8. No later than 30 days after Obligor's receipt of a written request from the Issuer, the DCA and/or the Comptroller, Obligor shall provide to the Issuer, the DCA and the Comptroller (a) a written list of all Covered Counterparties, together with the LW Agreements of such Covered Counterparties. From and after the Operational Date, no later than 30 days after Obligor's receipt of a written request from the Issuer, the DCA and/or the Comptroller, Obligor shall provide to the Issuer, the DCA and the Comptroller (b) a certification stating that all of the direct Site Employees of Obligor are paid no less than an LW and stating that Obligor is in compliance with this Agreement in all material respects, (c) certified payroll records in respect of the direct Site Employees of Obligor, and/or (d) any other documents or information reasonably related to the determination of whether Obligor is in compliance with its obligations under this Agreement.

9. From and after the Operational Date, Obligor shall, annually by August 1 of each year during the LW Term, submit to Institution such data in respect of employment, jobs and wages at the Obligor Facility as of June 30 of such year that is needed by Institution for it to comply with its reporting obligations under the Project Agreement.

10. Violations and Remedies.

(a) If a violation of this Agreement shall have been alleged by the Issuer, the DCA and/or the Comptroller, then written notice will be provided to Obligor for such alleged violation (an "LW Violation Notice"), specifying the nature of the alleged violation in such reasonable detail as is known to the Issuer, the DCA and the Comptroller (the "Asserted LW Violation") and specifying the remedy required under paragraph 10(b), (c), (d), (e) and/or (f) (as applicable) to cure the Asserted LW Violation (the "Asserted Cure"). Upon Obligor's receipt of the LW Violation Notice, Obligor may either:

(i) Perform the Asserted Cure no later than 30 days after its receipt of the LW Violation Notice (in which case a "LW Violation Final Determination" shall be deemed to exist), or

(ii) Provide written notice to the Issuer, the DCA and the Comptroller indicating that it is electing to contest the Asserted LW Violation and/or the Asserted Cure, which notice shall be delivered no later than 30 days after its receipt of the LW Violation Notice. Obligor shall bear the burdens of proof and persuasion and shall provide evidence to the DCA no later than 45 days after its receipt of the LW Violation Notice. The DCA shall then, on behalf of the City, the Issuer and the Comptroller, make a good faith determination of whether the Asserted LW Violation exists based on the evidence provided by Obligor and deliver to Obligor a written statement of such determination in reasonable detail, which shall include a confirmation or modification of the Asserted LW Violation and Asserted Cure (such statement, a "LW Violation Initial Determination"). Upon Obligor's receipt of the LW Violation Initial Determination, Obligor may either:

(1) Accept the LW Violation Initial Determination and shall perform the Asserted Cure specified in the LW Violation Initial Determination no later than 30 days after its receipt of the LW Violation Initial Determination (after such 30 day period has lapsed, but subject to clause (2) below, the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination"), or

(2) Contest the LW Violation Initial Determination by filing in a court of competent jurisdiction or for an administrative hearing no later than 30 days after its receipt of the LW Violation Initial Determination, in which case, Obligor's obligation to perform the Asserted Cure shall be stayed pending resolution of the action. If no filing in a court of competent jurisdiction or for an administrative hearing is made to contest the LW Violation Initial Determination within 30 days after Obligor's receipt thereof, then the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination". If such a filing is made, then a "LW Violation Final Determination" will be deemed to exist when the matter has been finally adjudicated. Obligor shall perform the Asserted

Cure (subject to the judicial decision) no later than 30 days after the LW Violation Final Determination.

(b) For the first LW Violation Final Determination imposed on Obligor in respect of any direct Site Employees of Obligor, at the direction of the Issuer or the DCA (but not both), (i) Obligor shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Obligor to such direct Site Employees; and/or (ii) in the case of a violation that does not result in monetary damages owed by Obligor, Obligor shall cure, or cause the cure of, such non-monetary violation.

(c) For the second and any subsequent LW Violation Final Determinations imposed on Obligor in respect of any direct Site Employees of Obligor, at the direction of the Issuer or the DCA (but not both), (i) Obligor shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Obligor to such direct Site Employees, and Obligor shall pay fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee; and/or (ii) in the case of a violation that does not result in monetary damages owed by Obligor, Obligor shall cure, or cause the cure of, such non-monetary violation.

(d) For the second and any subsequent LW Violation Final Determinations imposed on Obligor in respect of any direct Site Employees of Obligor, if the aggregate amount of Owed Monies and Owed Interest paid or payable by Obligor in respect of its direct Site Employees is in excess of the LW Violation Threshold for all past and present LW Violation Final Determinations imposed on Obligor, then in lieu of the remedies specified in subparagraph (c) above and at the direction of the Issuer or the DCA (but not both), Obligor shall pay (i) two hundred percent (200%) of the Owed Monies and Owed Interest in respect of the present LW Violation Final Determination to the affected direct Site Employees of Obligor, and (ii) fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee.

(e) If Obligor fails to obtain an LW Agreement from its Covered Counterparty in violation of paragraph 5 above, then at the discretion of the Issuer or the DCA (but not both), Obligor shall be responsible for payment of the Owed Monies, Owed Interest and other payments described in subparagraphs (b), (c) and (d) above (as applicable) as if the direct Site Employees of such Covered Counterparty were the direct Site Employees of Obligor.

(f) Obligor shall not renew the Specified Contract of any specific Covered Counterparty or enter into a new Specified Contract with any specific Covered Counterparty if both (i) the aggregate amount of Owed Monies and Owed Interest paid or payable by such Covered Counterparty in respect of its direct Site Employees for all past and present LW Violation Final Determinations (or that would have been payable had such Covered Counterparty entered into an LW Agreement) is in excess of the LW Violation Threshold and (ii) two or more LW Violation Final Determinations against such Covered Counterparty (or in respect of the direct Site Employees of such Covered Counterparty) occurred within the last 6 years of the term of the applicable Specified Contract (or if the term thereof is less than 6 years, then during the term thereof): provided that the foregoing shall not preclude Obligor from extending or renewing a Specified Contract pursuant to any renewal or extension options granted to the Covered Counterparty in the Specified Contract as in effect as of the LW Agreement Delivery Date applicable to such Covered Counterparty.

(g) It is acknowledged and agreed that (i) the sole monetary damages that Obligor may be subject to for a violation of this Agreement are as set forth in this paragraph 10, and (ii) in no event will the Specified Contract between Obligor and a given Covered Counterparty be permitted to be terminated or rescinded by the Issuer, the DCA or the Comptroller by virtue of violations by Obligor or a Covered Counterparty.

11. Obligor acknowledges that the terms and conditions of this Agreement are intended to implement the Mayor's Executive Order No. 7 dated September 30, 2014.

12. All notices under this Agreement shall be in writing and shall be delivered by (a) return receipt requested or registered or certified United States mail, postage prepaid, (b) a nationally recognized overnight delivery service for overnight delivery, charges prepaid, or (c) hand delivery, addressed as follows:

    (a) If to Obligor, to [Obligor's Name], [Street Address], [City], [State], [Zip Code], Attention: [Contact Person].

    (b) If to the Issuer, to Build NYC Resource Corporation, 110 William Street, New York, NY, 10038, Attention: General Counsel, with a copy to Build NYC Resource Corporation, 110 William Street, New York, NY, 10038, Attention: Executive Director.

    (c) If to the DCA, to Department of Consumer Affairs of The City of New York, 42 Broadway, New York, NY, 10004, Attention: Living Wage Division.

    (d) If to the Comptroller, to Office of the Comptroller of The City of New York, One Centre Street, New York, NY 10007, Attention: Chief, Bureau of Labor Law.

13. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

14. Obligor hereby irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of this Agreement may be brought in the courts of record of the State of New York in New York County or the United States District Court for the Southern District of New York; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (d) waives and relinquishes any rights it might otherwise have (i) to move to dismiss on grounds of forum non conveniens, (ii) to remove to any federal court other than the United States District Court for the Southern District of New York, and (iii) to move for a change of venue to a New York State Court outside New York County

15. Notwithstanding any other provision of this Agreement, in no event shall the partners, members, counsel, directors, shareholders or employees of Obligor have any personal obligation or liability for any of the terms, covenants, agreements, undertakings, representations or warranties of Obligor contained in this Agreement.

IN WITNESS WHEREOF, Obligor has executed and delivered this Agreement as of the date first written above.

[_____]

By:_____
Name:
Title:

ATTACHMENT 1 to EXHIBIT J

FORM OF LW AGREEMENT

LIVING WAGE AGREEMENT

This LIVING WAGE AGREEMENT (this "Agreement") is made as of [_____], by [_____] ("Obligor") in favor of Institution, the Issuer, the City, the DCA and the Comptroller (each as defined below) (each, an "Obligee"). In consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Obligor hereby covenants and agrees as follows:

1. Definitions. As used herein the following capitalized terms shall have the respective meanings specified below.

"Asserted Cure" has the meaning specified in paragraph 9(a).

"Asserted LW Violation" has the meaning specified in paragraph 9(a).

"City" means The City of New York.

"Comptroller" means the Comptroller of The City of New York or his or her designee.

"Covered Employer" means Obligor; provided, however, that the term "Covered Employer" shall not include (i) a Person of the type described in Section 6-134(d)(2), (3), (4) or (5) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Obligor Facility if residential units comprise more than 75% of the total Facility area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, or (vi) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

"DCA" means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

"Facility" means the land and improvements located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York.

"Institution" means Richmond Medical Center, d/b/a Richmond University Medical Center, a not-for-profit corporation, organized and existing under the laws of the State of New York, having its principal office at 355 Bard Avenue, Staten Island, New York 10310, or its permitted successors or assigns under the Project Agreement

"Issuer" means Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 110 William Street, New York, New York 10038.

"LW" has the same meaning as the term "living wage" as defined in Section 6-134(b)(9) of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour ($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

"LW Law" means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"LW Term" means the period commencing on the date of this Agreement and ending on the date that is the earlier to occur of: (a) the later to occur of (i) the date on which Institution is no longer receiving financial assistance under the Project Agreement or (ii) the date that is ten years after the Facility commences operations; or (b) the end of the term of Obligor's Specified Contract (including any renewal or option terms pursuant to any exercised options), whether by early termination or otherwise.

"LW Violation Final Determination" has the meaning specified in paragraph 9(a)(i), paragraph 9(a)(ii)(1) or paragraph 9(a)(ii)(2), as applicable.

"LW Violation Initial Determination" has the meaning specified in paragraph 9(a)(ii).

"LW Violation Notice" has the meaning specified in paragraph 9(a).

"LW Violation Threshold" means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

"Obligor Facility" means the applicable portion of the Facility covered by the Specified Contract of Obligor.

"Operational Date" means the date that Obligor commences occupancy, operations or work at the Obligor Facility.

"Owed Interest" means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

"Owed Monies" means the total deficiency of LW required to be paid by Obligor in accordance with this Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the

"health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis.

"Person" means any natural person, sole proprietorship, partnership, association, joint venture, limited liability company, corporation, governmental authority, governmental agency, governmental instrumentality or any form of doing business.

"Project Agreement" means that certain Loan Agreement, dated as of December 1, 2018, between the Issuer and the Institution (as amended, restated, supplemented or otherwise modified from time to time), pursuant to which Institution has or will receive financial assistance from the Issuer.

"Qualified Workforce Program" means a training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations and that has been determined to be a Qualified Workforce Program by the Director of the Mayor's Office of Workforce Development.

"Site Employee" means any natural person who works at the Obligor Facility and who is employed by, or contracted or subcontracted to work for, Obligor, including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis; provided that the term "Site Employee" shall not include any natural person who works less than seventeen and a half (17.5) hours in any consecutive seven day period at the Obligor Facility unless the primary work location or home base of such person is at the Obligor Facility (for the avoidance of doubt, a natural person who works at least seventeen and a half (17.5) hours in any consecutive seven day period at the Obligor Facility shall thereafter constitute a Site Employee).

"Small Business Cap" means three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with the adjustment to the "living wage rate" component of the LW using the methodology set forth in Section 6-134(b)(9) of the New York City Administrative Code.

"Specified Contract" means (a) in the case of Obligor, the [_____], dated as of [_____], by and between Obligor and [_____], or (b) in the case of any other Person, the principal written contract that makes such Person a Covered Employer hereunder.

2. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall pay each of its direct Site Employees no less than an LW.

3. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall, on or prior to the day on which each direct Site Employee of Obligor begins work at the Obligor Facility, (a) post a written notice detailing the wages and benefits required to be paid to Site Employees under this Agreement in a conspicuous place at the Obligor Facility that is readily observable by such direct Site Employee and (b) provide such direct Site Employee with a written notice detailing the wages and benefits required to be paid to Site Employees under this Agreement. Such written notice shall also provide a statement advising Site Employees that if they have been paid less than the LW they may notify the Comptroller and request an investigation. Such written notice shall be in English and Spanish

4. Commencing on the Operational Date and thereafter during the remainder of the LW Term, if and for so long as Obligor is a Covered Employer, Obligor shall not take any adverse employment action against any Site Employee for reporting or asserting a violation of this Agreement.

5. Commencing on the Operational Date and thereafter during the remainder of the LW Term, in the event that an individual with managerial authority at Obligor receives a written complaint from any Site Employee (or such individual otherwise obtains actual knowledge) that any Site Employee has been paid less than an LW, Obligor shall deliver written notice to the Issuer, the DCA and the Comptroller within 30 days thereof.

6. Obligor hereby acknowledges and agrees that the Issuer, the City, the DCA and the Comptroller are each intended to be direct beneficiaries of the terms and provisions of this Agreement. Obligor hereby acknowledges and agrees that the DCA, the Comptroller and the Issuer shall each have the authority and power to enforce any and all provisions and remedies under this Agreement in accordance with paragraph 9 below. Obligor hereby agrees that the DCA, the Comptroller and the Issuer may, as their sole and exclusive remedy for any violation of Obligor's obligations under this Agreement, bring an action for damages (but not in excess of the amounts set forth in paragraph 9 below), injunctive relief or specific performance or any other non-monetary action at law or in equity, in each case subject to the provisions of paragraph 9 below, as may be necessary or desirable to enforce the performance or observance of any obligations, agreements or covenants of Obligor under this Agreement. The agreements and acknowledgements of Obligor set forth in this Agreement may not be amended, modified or rescinded by Obligor without the prior written consent of the Issuer or the DCA.

7. From and after the Operational Date, no later than 30 days after Obligor's receipt of a written request from the Issuer, the DCA and/or the Comptroller, Obligor shall provide to the Issuer, the DCA and the Comptroller (a) a certification stating that all of the direct Site Employees of Obligor are paid no less than an LW and stating that Obligor is in compliance with this Agreement in all material respects, (b) certified payroll records in respect of the direct Site Employees of Obligor, and/or (c) any other documents or information reasonably related to the determination of whether Obligor is in compliance with its obligations under this Agreement.

8. From and after the Operational Date, Obligor shall, annually by August 1 of each year during the LW Term, submit to its counterparty to its Specified Contract such data in respect of employment, jobs and wages at the Obligor Facility as of June 30 of such year that is needed by Institution for it to comply with its reporting obligations under the Project Agreement.

9. Violations and Remedies.

   (a) If a violation of this Agreement shall have been alleged by the Issuer, the DCA and/or the Comptroller, then written notice will be provided to Obligor for such alleged violation (an "LW Violation Notice"), specifying the nature of the alleged violation in such reasonable detail as is known to the Issuer, the DCA and the Comptroller (the "Asserted LW Violation") and specifying the remedy required under paragraph 9(b), (c) and/or (d) (as applicable) to cure the Asserted LW Violation (the "Asserted Cure"). Upon Obligor's receipt of the LW Violation Notice, Obligor may either:

   (i) Perform the Asserted Cure no later than 30 days after its receipt of the LW Violation Notice (in which case a "LW Violation Final Determination" shall be deemed to exist), or

(ii) Provide written notice to the Issuer, the DCA and the Comptroller indicating that it is electing to contest the Asserted LW Violation and/or the Asserted Cure, which notice shall be delivered no later than 30 days after its receipt of the LW Violation Notice. Obligor shall bear the burdens of proof and persuasion and shall provide evidence to the DCA no later than 45 days after its receipt of the LW Violation Notice. The DCA shall then, on behalf of the City, the Issuer and the Comptroller, make a good faith determination of whether the Asserted LW Violation exists based on the evidence provided by Obligor and deliver to Obligor a written statement of such determination in reasonable detail, which shall include a confirmation or modification of the Asserted LW Violation and Asserted Cure (such statement, a "LW Violation Initial Determination"). Upon Obligor's receipt of the LW Violation Initial Determination, Obligor may either:

(1) Accept the LW Violation Initial Determination and shall perform the Asserted Cure specified in the LW Violation Initial Determination no later than 30 days after its receipt of the LW Violation Initial Determination (after such 30 day period has lapsed, but subject to clause (2) below, the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination"), or

(2) Contest the LW Violation Initial Determination by filing in a court of competent jurisdiction or for an administrative hearing no later than 30 days after its receipt of the LW Violation Initial Determination, in which case, Obligor's obligation to perform the Asserted Cure shall be stayed pending resolution of the action. If no filing in a court of competent jurisdiction or for an administrative hearing is made to contest the LW Violation Initial Determination within 30 days after Obligor's receipt thereof, then the LW Violation Initial Determination shall be deemed to be a "LW Violation Final Determination". If such a filing is made, then a "LW Violation Final Determination" will be deemed to exist when the matter has been finally adjudicated. Obligor shall perform the Asserted Cure (subject to the judicial decision) no later than 30 days after the LW Violation Final Determination.

(b) For the first LW Violation Final Determination imposed on Obligor in respect of any direct Site Employees of Obligor, at the direction of the Issuer or the DCA (but not both), (i) Obligor shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Obligor to such direct Site Employees; and/or (ii) in the case of a violation that does not result in monetary damages owed by Obligor, Obligor shall cure, or cause the cure of, such non-monetary violation.

(c) For the second and any subsequent LW Violation Final Determinations imposed on Obligor in respect of any direct Site Employees of Obligor, at the direction of the Issuer or the DCA (but not both), (i) Obligor shall pay the Owed Monies and Owed Interest in respect of such direct Site Employees of Obligor to such direct Site Employees, and Obligor shall pay fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee, and/or (ii) in the case of a violation that does not result in monetary damages owed by Obligor, Obligor shall cure, or cause the cure of, such non-monetary violation

(d) For the second and any subsequent LW Violation Final Determinations imposed on Obligor in respect of any direct Site Employees of Obligor, if the aggregate amount of Owed Monies and Owed Interest paid or payable by Obligor in respect of its direct Site Employees is in excess of the LW Violation Threshold for all past and present LW Violation Final Determinations imposed on Obligor, then in lieu of the remedies specified in subparagraph (c) above and at the direction of the Issuer or the DCA (but not both), Obligor shall pay (i) two hundred percent (200%) of the Owed Monies and Owed Interest in respect of the present LW Violation Final Determination to the affected direct Site Employees of Obligor, and (ii) fifty percent (50%) of the total amount of such Owed Monies and Owed Interest to the DCA as an administrative fee.

(e) It is acknowledged and agreed that the sole monetary damages that Obligor may be subject to for a violation of this Agreement are as set forth in this paragraph 9.

10. Obligor acknowledges that the terms and conditions of this Agreement are intended to implement the Mayor's Executive Order No. 7 dated September 30, 2014.

11. All notices under this Agreement shall be in writing and shall be delivered by (a) return receipt requested or registered or certified United States mail, postage prepaid, (b) a nationally recognized overnight delivery service for overnight delivery, charges prepaid, or (c) hand delivery, addressed as follows:

(a) If to Obligor, to [Obligor's Name], [Street Address], [City], [State], [Zip Code], Attention: [Contact Person].

(b) If to the Issuer, to Build NYC Resource Corporation, 110 William Street, New York, NY. 10038, Attention: General Counsel, with a copy to Build NYC Resource Corporation, 110 William Street, New York, NY, 10038, Attention: Executive Director.

(c) If to the DCA, to Department of Consumer Affairs of The City of New York, 42 Broadway, New York, NY, 10004, Attention: Living Wage Division.

(d) If to the Comptroller, to Office of the Comptroller of The City of New York, One Centre Street, New York, NY 10007. Attention: Chief, Bureau of Labor Law.

12. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

13. Obligor hereby irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of this Agreement may be brought in the courts of record of the State of New York in New York County or the United States District Court for the Southern District of New York, (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (d) waives and relinquishes any rights it might otherwise have (i) to move to dismiss on grounds of forum non conveniens, (ii) to remove to any federal court other than the United States District Court for the Southern District of New York, and (iii) to move for a change of venue to a New York State Court outside New York County.

14. Notwithstanding any other provision of this Agreement, in no event shall the partners, members, counsel, directors, shareholders or employees of Obligor have any personal obligation or liability for

any of the terms, covenants, agreements, undertakings, representations or warranties of Obligor contained in this Agreement.

IN WITNESS WHEREOF, Obligor has executed and delivered this Agreement as of the date first written above.

[_____]

By:_____
Name:
Title:

EXHIBIT K

FORM OF ARCHITECT OR ENGINEER CERTIFICATE

[_____], 20[_]

Build NYC Resource Corporation
110 William Street
New York, NY 10038

Re: Build NYC Resource Corporation Project located at 355 Bard Avenue, Staten Island, New York; 288 Kissel Avenue, Staten Island, New York; and 669 Castleton Avenue, Staten Island, New York (the "Premises") [Cogeneration Facility] [Emergency Department] [Parking Lot] Project Work

To Whom It May Concern:

The undersigned (the "Architect") understands that Build NYC Resource Corporation ("BNYC") is providing financial assistance to Richmond Medical Center d/b/a Richmond University Medical Center (the "Project Company"), which financial assistance will be used to assist the Project Company with the following improvements (the "Improvements"): [_____] on the Premises (the "Project"). Architect has been engaged by the Project Company to provide architectural services in connection with the Project.

The undersigned Architect does hereby certify and represent to BNYC as follows:

1. The Architect has prepared [preliminary] plans and specifications with respect to the Project (the "Plans and Specifications").

2. The Premises is locating in a [insert Zoning classification] zoning district as defined in the Zoning Resolution of the City of New York, as in effect on the date hereof, and such zoning classification permits the construction of the Improvements as contemplated in the Plans and Specifications for the intended use of the Improvements by the Project Company.

3. The Premises is comprised of [____] zoning lot[s] (Block [____], Lot[s] [____] on the Official Tax Map for the County of New York).

4. To my knowledge, there is no petition, action or proceeding known to the undersigned pending before the court, agency or official, threatened with respect to the validity of any statutes, ordinances, regulations, restrictions, codes, rules, permits, certificates or any permits or approvals thereunder relating to the Improvements, or to revoke, rescind, alter or declare any of the same.

5. Architect is an architect duly licensed to practice architecture in the State of New York.

The statements contained in this letter are an expression of the undersigned's professional opinion, are made to the best of the undersigned's knowledge, information and belief, and are based on the undersigned's performance of services under its agreement with the Project Company in accordance with generally accepted standards of professional practice.

Very truly yours,

EXHIBIT L

FORM OF CONSTRUCTION MANAGER OR CONTRACTOR CERTIFICATE

[_____], 20[_]

Build NYC Resource Corporation
110 William Street
New York, NY 10038

Re: Build NYC Resource Corporation Project located at 355 Bard Avenue, Staten Island, New York; 288 Kissel Avenue, Staten Island, New York; and 669 Castleton Avenue, Staten Island, New York (the "Premises") [Cogeneration Facility] [Elevator] [Emergency Department] [Parking Lot] [Operating Room] [Roof] Project Work

To Whom It May Concern:

The undersigned (the "Construction Manager") understands that Build NYC Resource Corporation ("BNYC") is providing financial assistance to Richmond Medical Center d/b/a Richmond University Medical Center. (the "Project Company"), which financial assistance will be used to assist the Project Company with the following improvements: [_____] (the "Improvements") on the Premises (the "Project"). Construction Manager has been engaged by the Project Company to act as the construction manager in connection with the construction of the Improvements. The undersigned Construction Manager does hereby certify and represent to BNYC as follows:

1. The undersigned is familiar with the process for obtaining the approvals, authorizations, permits and licenses necessary to construct and occupy the Improvements.

(a) The following are the approvals, authorizations, permits or licenses currently issued that are necessary to construct and operate the Improvements, pursuant to any law, rule, ordinance or regulation affecting the Premises, including environmental laws, rules, ordinances or regulations: [list approvals]

1.	Zoning	Department of Buildings
2.	New Building	Department of Buildings
3.	Sewer Permit	Department of Environmental Protection
4.	Sprinklers	Department of Buildings
5.	Standpipe	Department of Buildings
6.	Generator	Department of Buildings
7	Paving Plan	Department of Buildings
8.	Street Opening	Department of Transportation
9.	Asbestos Control Program	Department of Environmental Protection

(b) As to those approvals, authorizations, permits and licenses not yet obtained, the undersigned knows of no reason why the same should not be issued when required by the Project Company. Such approvals can be obtained in the ordinary course of business so as to not delay the construction of the

Improvements, and the issuance of such approvals, authorizations, permits and licenses by the applicable government authority is ministerial.

2. To my knowledge, there is no petition, action or proceeding known to the undersigned pending before the court, agency or official, threatened with respect to the validity of any statutes, ordinances, regulations, restrictions, codes, rules, permits, certificates or any permits or approvals thereunder relating to the Improvements, or to revoke, rescind, alter or declare any of the same.

3. The undersigned is duly licensed and in good standing in the State of New York.

The statements contained in this letter are an expression of the undersigned's opinion, are made to the best of the undersigned's knowledge, information and belief, and are in accordance with generally accepted standards of construction industry practice.

Very truly yours,

By _____
Name:
Title:

EXHIBIT M

FORM OF CONSTRUCTION DISBURSEMENT AND MONITORING AGREEMENT

CONSTRUCTION DISBURSEMENT AND MONITORING AGREEMENT

by and among

RICHMOND MEDICAL CENTER
(DBA RICHMOND UNIVERSITY MEDICAL CENTER)

and

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

and

PRESTON HOLLOW CAPITAL, LLC

Dated as of _____ 1, 2019

Build NYC Resource Corporation Tax-Exempt Revenue Bonds
(Richmond Medical Center Project)
Series 2018A and Series 2018B

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS; RULES OF CONSTRUCTION 1

Section 1.01. Definitions 1

Section 1.02. Rules of Construction 5

ARTICLE II REPRESENTATIONS AND WARRANTIES 6

Section 2.01. Representations and Warranties of the Borrower 6

Section 2.02. Continuation of Representations and Warranties 7

ARTICLE III CONSTRUCTION MONITOR 7

Section 3.01. Role of Construction Monitor 7

Section 3.02. Qualifications of Construction Monitor 7

Section 3.03. Appointment of Construction Monitor 8

Section 3.04. Resignation and Removal of Construction Monitor 8

Section 3.05. Compensation of Construction Monitor 8

ARTICLE IV DISBURSEMENTS 8

Section 4.01. Disbursement Requests to Comply with this Agreement 8

Section 4.02. Disbursement Requests 8

Section 4.03. Conditions Precedent to Funding the Initial Disbursement Request 10

Section 4.04. Additional Requirements for Each Disbursement Request 14

Section 4.05. Additional Requirements for Final Disbursement and Final Release of Remaining Retainage Amounts 18

ARTICLE V GENERAL LIMITATIONS; CHANGE ORDERS; REALLOCATIONS; REVISIONS 20

Section 5.01. General Disbursement Limitations 20

Section 5.02. Change Orders 20

Section 5.03. Reallocation of Budget Line Items 20

Section 5.04. Revisions to Project Completion Schedule 21

Section 5.05. Disapproval for Non-Compliance 21

ARTICLE VI MISCELLANEOUS 21

Section 6.01. Notices 21

Section 6.02. Limitation of Rights 22

Section 6.03. Amendments; Assignment 22

Section 6.04. Electronic Storage 22

TABLE OF CONTENTS
(continued)

Page

Section 6.05. Severability 23
Section 6.06. Governing Law, Consent to Jurisdiction and Waiver of Jury Trial 23
Section 6.07. Execution in Counterparts 23
EXHIBIT A FORM OF DISBURSEMENT REQUEST A-1
EXHIBIT B FORM OF ARCHITECT'S CERTIFICATE B-1
EXHIBIT C FORM OF CONTRACTOR'S CERTIFICATE C-1
EXHIBIT D [FORM OF CIVIL ENGINEER'S CERTIFICATE] D-1

CONSTRUCTION DISBURSEMENT AND MONITORING AGREEMENT

THIS CONSTRUCTION DISBURSEMENT AND MONITORING AGREEMENT, dated as of _____ 1, 2019 (this "Agreement"), is by and among RICHMOND MEDICAL CENTER (DBA RICHMOND UNIVERSITY MEDICAL CENTER), a New York State not-for-profit corporation (the "Borrower"), U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee"), and PRESTON HOLLOW CAPITAL, LLC, a limited liability company organized and existing under the laws of the State of Delaware, as Bondholder Representative.

RECITALS

WHEREAS, Build NYC Resource Corporation, (the "Issuer") is issuing its up to $102,065,000 aggregate principal amount of Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A Bonds (the "Series 2018A Bonds"), and its up to $30,000,000 aggregate principal amount of Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B Bonds (the "Series 2018B Bonds" and, together with the Series 2018A Bonds, the "Series 2018 Bonds");

WHEREAS, the Series 2018 Bonds are being issued pursuant to the Indenture of Trust, dated as of December 1, 2018 (the "Indenture"), by and between the Issuer and the Trustee;

WHEREAS, pursuant to the Loan Agreement, dated as of December 1, 2018 (the "Loan Agreement"), by and between the Issuer and the Borrower, the Issuer is lending the proceeds of the Series 2018 Bonds to the Borrower for the purpose of financing and/or refinancing the project described in the Loan Agreement;

WHEREAS, certain of the proceeds of the Series 2018 Bonds will be deposited in the Project Account established under the Indenture, to be disbursed to pay the costs of such project; and

WHEREAS, the parties desire to provide the terms and conditions of such disbursements;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless the context otherwise requires (a) the terms defined in this Section shall for all purposes of this Agreement and of any certificate, opinion or other document herein or therein mentioned have the meanings herein specified, and (b) capitalized undefined terms used herein shall have the meanings ascribed thereto in the Loan Agreement.

"Agreement" means this Construction Disbursement and Monitoring Agreement, dated as of _____ 1, 2019, by and among the Borrower, the Trustee and the Bondholder

Representative, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Architect" means _____, a _____, its successors and assigns.

[**"Architect Agreement"** means _____.]

"Bondholder Representative" means Preston Hollow Capital, LLC, and any successor thereto designated as the Bondholder Representative in accordance with Section 10.01 of the Indenture.

"Borrower" means Richmond Medical Center (d/b/a Richmond University Medical Center), a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, organized and existing under the laws of the State of New York, and its successors and assigns.

"Change Order" [has the meaning ascribed to such term in the Construction Contract].

"Closing Date" means December 20, 2018.

"Construction Contract" means the [Guaranteed Maximum Price Contract], dated as of [_____, 2019], by and between the Borrower and the Contractor, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with its terms].

"Construction Monitor" means (a) initially Fulcrum, LLC, an Arizona limited liability company, and (b) any successor thereto as Construction Monitor appointed, and accepting such appointment, as provided in Section 3.03.

"Construction Monitor Report" means the report of the Construction Monitor prepared and delivered in accordance with Section 4.02(e), based on its monthly site visit to the Facility, summarizing the Construction Monitor's review and confirmation of the application of the amounts disbursed pursuant to each Disbursement Request, which shall include dated and labeled color photographs and narratives summarizing the general status of construction of the Project and any specific areas of concern

"Construction Schedule" means the schedule setting forth dates for commencement and completion of all phases of the Project, in the form attached as [Exhibit ___ to the Construction Contract], indicating the time for performance of the work to be accomplished under the Construction Contract, as the same may amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof.

"Contract Documents" [has the meaning ascribed to such term in the Construction Contract and shall include the documents, plans, drawings, specifications, renderings, studies, budgets, forecasts and schedules developed, and to be developed, in connection with the Project in accordance with the Construction Contract].

"Contractor" means _____, a _____, its successors and assigns.

"Disbursement Request" means a Disbursement Request substantially in the form of Exhibit A attached hereto.

"Facility" has the meaning ascribed to such term in the Indenture.

"Facility Realty" has the meaning ascribed to such term in the Indenture.

"Governmental Authority" means any federal, state, county, municipal or other governmental or regulatory authority, agency, board, body, commission, instrumentality, court or quasi-governmental authority with jurisdiction over the property or the Person in question.

"Hard Costs" means all expenditures incurred or to be incurred by the Borrower for work, labor, materials and equipment furnished in connection with the construction of the Project that are included in the Construction Contract.

"Hazardous Materials" means any substance or material that is now or in the future included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," "pollutant," "contaminant," "hazardous waste," or "universal waste," or in any Hazardous Materials Law, including (a) petroleum or petroleum derivatives, including crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products or waste, and waste water, (b) asbestos and asbestos-containing materials (whether friable or non-friable), (c) polychlorinated biphenyls, (d) urea formaldehyde, (e) lead and lead based paint or other lead containing materials (whether friable or non-friable), (f) microbiological pollutants, (g) batteries or liquid solvents or similar chemicals, (h) radon gas, and (i) pesticides and pesticide contaminated materials. The term "Hazardous Materials" shall not include (i) chemicals, lubricants, refrigerants, batteries and other substances kept in amounts typical for, and used as, standard janitorial supplies, office and household supplies, and the like in connection with the routine maintenance and operation of facilities similar to the Facility, to the extent kept, used and maintained in strict compliance with all such applicable Hazardous Materials Laws, (ii) gasoline, oil and other automotive products kept and used in an ordinary manner in or for the use of motor vehicles at the Facility, or (iii) any substance or material that would otherwise be a Hazardous Material in environmental media (air, soil or water) in concentrations that does not require release reporting, monitoring or investigation under Hazardous Materials Laws or removal or remediation of Hazardous Materials.

"Hazardous Materials Laws" means any and all applicable statutes, terms, conditions, limitations, restrictions, regulations, standards, prohibitions, obligations, schedules, plans, and timetables that are contained in or promulgated pursuant to any federal, state or local laws, whether existing now or hereinafter enacted, relating to pollution or the protection of the environment, including laws relating to emissions, discharges, releases, or threatened releases of Hazardous Materials into ambient or indoor air, surface water, ground water, drinking water, lands (including the surface and subsurface thereof), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, refinement, production, disposal, transport, or handling of Hazardous Materials, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA), as amended by the Superfund Amendments and Reauthorization Act of 1986 (SARA), 42 U.S.C. 9601 et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), 42

U.S.C. 6901 et seq., the Federal Water Pollution Control Act. 33 U.S.C. 1251 et seq., the Toxic Substances Control Act, 15 U.S.C. 2601 et seq., the Clean Air Act, 42 U.S.C. 7401 et seq., and the Safe Drinking Water Act, 42 U.S.C. § 300f et seq. "Hazardous Materials Laws" shall not include laws relating to industrial hygiene or worker safety, except to the extent that such laws address asbestos and asbestos-containing materials (whether friable or non-friable) or lead and lead-based paint or other lead containing materials.

"Indenture" means the Indenture of Trust, dated as of December 1, 2018, by and between the Issuer and U.S. Bank National Association, as Trustee, as originally executed and as it may be amended, supplemented or otherwise modified from time to time by any Supplemental Indenture.

"Issuer" means Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of the City of New York, and its successors and assigns.

"Loan Agreement" means the Loan Agreement, dated as of December 1, 2018, by and between the Issuer and the Borrower, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with its terms and the terms of the Indenture.

"Permits" means governmental permits and licenses, utility, parking, access (including curb cuts and highway access), construction, recreational and other permits and easements required for the construction of the Project, including building permits issued by the appropriate Governmental Authority authorizing construction of the Project in accordance with the Plans and Specifications and including, if applicable, tap-on permits required by applicable law to construct the Project.

"Plans and Specifications" means the documents, plans, drawings, specifications, and renderings developed or to be developed in connection with the Project pursuant to the Construction Documents, and approved by the Borrower in accordance with the Construction Documents, including, without limitation, those documents described in the Contractor's Certificate delivered pursuant to Section 4.03(h).

"Project" means [the Cogeneration Facility Project Work and the Emergency Department Project Work].

"Project Budget" has the meaning ascribed to such term in the [Construction Contract].

"Project Completion Date" has the meaning ascribed to such term in the Indenture.

"Project Costs" has the meaning ascribed to such term in the Indenture.

"Project Account" means the special trust account of the Project Fund so designated, established pursuant to Section 5.01 of the Indenture.

"Project Costs Deficit" means, at any time, the amount, if any, by which the amount on deposit in the Project Account, plus earnings on funds held by the Trustee and reasonably anticipated to be deposited into the Project Account prior to the Project Completion Date, are not

sufficient to pay the remaining unpaid Project Costs, as budgeted, including any adjustments to the Project Budget based on the progress of construction, occupancy of the Project and other factors affecting the Project Budget.

"Retainage" means any funds withheld as retainage pursuant to the Contract Documents.

"Soft Costs" means all costs and expenditures included in the Project Budget other than Hard Costs.

"Survey" means a plat or survey of the Facility made by a registered New York land surveyor, which plat or survey shall include the items described in paragraph (b) of Section 4.03.

"Title Company" means First American Title Insurance Company, its successors and assigns.

"Title Policy" means the mortgagee's title insurance policy described in Section 3.7 of the Loan Agreement.

"Trustee" means U.S. Bank National Association, as trustee under the Indenture, or any successor thereto as Trustee under the Indenture substituted in its place as provided in the Indenture.

Section 1.02. Rules of Construction. (a) The terms defined herein expressed in the singular shall, unless the context otherwise indicates, include the plural and vice versa.

(b) The use herein of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

(c) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacements, substitutions or novation of, that document.

(d) Any term defined herein by reference to another document shall continue to have the meaning ascribed thereto whether or not such other document remains in effect.

(e) The use herein of the words "including" and "includes," and words of similar import, shall be deemed to be followed by the phrase "without limitation."

(f) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(g) All references herein to designated "Articles," "Sections," "Exhibits," "subsections," "paragraphs," "clauses," and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses, and other subdivisions of this Agreement.

(h) The words "hereof" (except when preceded by a specific Section or Article reference) "herein," "hereby," "hereunder," "hereinabove," "hereinafter," and other equivalent words and phrases used herein refer to this Agreement and not solely to the particular portion hereof in which any such word is used.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties of the Borrower. The Borrower represents and warrants, as of the Closing Date, as follows:

(a) that, to the Borrower's knowledge, no condition, circumstance, event, agreement, document, instrument, restriction, litigation or proceeding exists or is threatened against the Borrower that (i) could adversely affect the validity or priority of the liens and security interests granted to the Trustee pursuant to the Loan Agreement and the Indenture, (ii) could materially adversely affect the ability of the Borrower to complete the Project, (iii) could materially adversely affect the ability of the Borrower to perform its obligations under the Institution Documents, or (iv) would constitute an event of default under any of the Institution Documents

(b) that the Project, the present use and occupancy of the Project, the Plans and Specifications, the construction of the Project pursuant to the Plans and Specifications and the use and occupancy of the Project when the Project is completed will not materially violate or conflict with any applicable law, statute, ordinance, rule, regulation or order of any kind, including, without limitation, Hazardous Materials Laws, zoning, building, land use, noise abatement, occupational health and safety or other laws, any building permit or any condition, grant, easement, covenant, or restriction, whether recorded or not (to the extent the Borrower has knowledge of any unrecorded matters);

(c) that this Agreement and any budgets, schedules, opinions, certificates, statements, applications, affidavits, agreements, Contract Documents and other materials submitted to the Trustee, the Bondholder Representative or the Construction Monitor in connection with or in furtherance of this Agreement by or on behalf of the Borrower fully and fairly state the matters with which they purport to deal, and neither misstate any material fact nor, separately or in the aggregate, fail to state any material fact necessary to make the statements therein made not misleading:

(d) that, subject only to payment of fees reflected in the Project Budget, all utility and municipal services required for the construction, occupancy and operation of the Project, including but not limited to, water supply, storm and sanitary sewage disposal systems, gas, electric and telephone facilities are available at required levels, for current and potential future use, for use and tap-on at the boundaries of the Facility, and written permission has been obtained from the applicable utility companies or municipalities to connect the Project into each of said services:

(e) that all Permits have been or will be obtained in a timely manner in order for the Project to be completed by the Project Completion Date, the Project Budget includes amounts for the payment of such Permits, and the Borrower will pay all fees for Permits as the same become due and payable;

(f) that the storm and sanitary sewage disposal system, water system and all mechanical systems of the Project do (or when constructed will) comply with all applicable laws, statutes, ordinances, rules and regulations, including all Hazardous Materials Laws, and the applicable environmental protection agency, pollution control board and/or other Governmental Authorities having jurisdiction of the Project have issued or are expected to issue in a timely manner their permits for the construction, tap-on and operation of those systems;

(g) that, when completed in accordance with the Plans and Specifications, the Project will not encroach upon any building line, set back line, side yard line, any recorded or visible easement or other easement of which the Borrower is aware or has reason to believe may exist; and

(h) in the aggregate, the Contract Documents cover or will cover all labor, material and equipment required by the Plans and Specifications or necessary to complete the Project, [excepting only the labor, material and equipment to be provided pursuant to any remaining subcontracts].

Section 2.02. Continuation of Representations and Warranties. The Borrower hereby warrants and agrees that the representations and warranties made in Section 2.01 are now and shall remain true and correct at all times hereafter so long as any obligations remain outstanding under the Project Documents. Each Disbursement Request shall constitute a reaffirmation that these representations and warranties are true as of the date of such Disbursement Request and shall be true on the date of the advance.

ARTICLE III

CONSTRUCTION MONITOR

Section 3.01. Role of Construction Monitor. The Construction Monitor shall provide the services and perform the duties and obligations prescribed for the Construction Monitor herein, including producing monthly Construction Monitor Reports, reviewing and approving Disbursement Requests, certifying the release of any Retainage, reviewing Change Orders, reviewing and making determinations with respect to and approving revisions to the Construction Schedule and such matters as are incidental thereto or in furtherance thereof. Additionally, the Construction Monitor shall provide such services related to the monitoring of the acquisition, construction and installation of the Project that are within its area of expertise and that the Construction Monitor is reasonably requested to provide by the Borrower, the Trustee or the Bondholder Representative.

Section 3.02. Qualifications of Construction Monitor. The Construction Monitor shall at all times be an engineer, architect, developer or advisor (a) that is independent of the Issuer, the

Borrower, the Bondholder Representative and the Contractor, and (b) that has experience and a favorable reputation for skill and experience in performing construction monitoring and advising services in respect of health care facilities in New York, New York.

Section 3.03. Appointment of Construction Monitor. The initial Construction Monitor shall be Fulcrum, LLC, an Arizona limited liability company. If the Construction Monitor shall resign, be removed or become incapable of acting, the Borrower shall, with the written consent of the Bondholder Representative, promptly appoint a successor Construction Monitor by an instrument in writing; provided, however, that any successor Construction Monitor shall be qualified as provided in Section 3.02. If, within 60 days after such resignation, removal or incapability, a successor Construction Monitor shall not have been appointed by the Borrower, the Bondholder Representative may appoint a successor Construction Monitor. The successor Construction Monitor so appointed shall, forthwith upon its written acceptance of such appointment, become the successor Construction Monitor and supersede the initial Construction Monitor.

Section 3.04. Resignation and Removal of Construction Monitor. (a) The Construction Monitor may resign at any time by giving 60 days' notice of such resignation to the Borrower, the Trustee and the Bondholder Representative.

(b) The Bondholder Representative may, at any time with or without cause by notice delivered to the Construction Monitor, the Borrower and the Trustee, remove the initial Construction Monitor and any successor thereto.

Section 3.05. Compensation of Construction Monitor. The Borrower shall pay, or cause to be paid, to the Construction Monitor from time to time, from amounts on deposit in the Project Account, all compensation as shall be agreed to pursuant to a fee letter for all services rendered by the Construction Monitor pursuant hereto.

ARTICLE IV

DISBURSEMENTS

Section 4.01. Disbursement Requests to Comply with this Agreement. Each Disbursement Request for moneys from the Project Account shall be in substantially in the form attached hereto as Exhibit A and comply with the terms and conditions of this Agreement and the Indenture.

Section 4.02. Disbursement Requests. (a) The Borrower shall submit each Disbursement Request to the Construction Monitor for its review and confirmation and, once so reviewed and confirmed, to the Borrower and the Bondholder Representative for their review. Each Disbursement Request shall set forth the total amount of Hard Costs and Soft Costs included in such Disbursement Request, itemized by the categories identified in the Project Budget, and shall be accompanied by the following:

(i) the schedule of values prepared in such form and supported by such data to substantiate its accuracy as the Borrower, the Construction Monitor, the Architect or the

Bondholder Representative may require or as is customary within the construction industry;

(ii) a Certificate of the Borrower in the form attached as Attachment A to the form of Disbursement Request;

(iii) a Certificate of the Contractor in the form attached as Attachment B to the form of Disbursement Request, together with a final certified AIA G702 and AIA G703 application for payment from the Contractor, with accompanying subcontractor pay applications;

(iv) a Confirmation of the Construction Monitor in the form attached as Attachment C to the form of Disbursement Request;

(v) a Certificate of the Architect in the form attached as Attachment D to the form of Disbursement Request; and

(vi) a completed checklist of monthly required documentation in the form attached as Attachment E to the form of Disbursement Request.

(b) The Borrower shall prepare a monthly proposed Disbursement Request to be completed in accordance with the requirements of this Agreement, and provide an electronic copy to the Construction Monitor and the Bondholder Representative at least one Business Day prior to each regularly scheduled monthly project review meeting. The Construction Monitor shall use reasonable efforts to either certify or recommend modification of such Disbursement Request at each regularly scheduled monthly meeting.

(c) If the Construction Monitor determines at such meeting that the Disbursement Request is incomplete or is not certified for payment, the Construction Monitor shall so inform the Borrower and specify the reasons for its determination and the basis upon which such Disbursement Request may be determined to be complete and certified for payment. If, at such meeting, or later upon receipt of additional or remedial information reasonably satisfactory to the Construction Monitor, the Construction Monitor shall so inform the Borrower that the Disbursement Request is complete, and:

(i) within five Business Days thereafter, the Construction Monitor shall execute the signature page to such Disbursement Request and deliver to the Borrower and the Bondholder Representative such executed Disbursement Request, together with a written report confirming the Hard Costs included in the Disbursement Request, and

(ii) the Borrower, upon review and approval of such Disbursement Request, shall deliver to the Bondholder Representative a copy of such Disbursement Request executed by the Borrower and the Construction Monitor, together with (A) the certificates required pursuant to this Section, and (B) the written report of the Construction Monitor confirming the Hard Costs included in such Disbursement Request.

(d) The Bondholder Representative shall review such Disbursement Request and attachments delivered pursuant to subsection (c) of this Section and, on or before the date ten Business Days after the Bondholder Representative's receipt of such Disbursement Request:

(i) if the Bondholder Representative determines that such Disbursement Request is not in acceptable form, so inform the Borrower and specify the reasons for its determination and the basis upon which such Disbursement Request may be determined to be in an acceptable form; or

(ii) if the Bondholder Representative determines that such Disbursement Request is in acceptable form (A) approve such Disbursement Request by executing the signature page thereof, and (B) deliver to the Trustee such approved Disbursement Request with the certificates and written report delivered to the Bondholder Representative pursuant to subsection (c) of this Section.

The Trustee shall deliver to the Borrower a copy of each such approved Disbursement Request, with such certificates and written report, upon receipt thereof from the Bondholder Representative.

(e) The Construction Monitor shall make monthly site visits to review and confirm the application of the amounts disbursed pursuant to each Disbursement Request, and such visits shall be summarized in a monthly Construction Monitor Report. The Construction Monitor shall deliver each Construction Monitor Report to the Borrower and the Bondholder Representative by electronic mail.

Section 4.03. <u>Conditions Precedent to Funding the Initial Disbursement Request</u>. Prior to the delivery of the initial Disbursement Request, the Borrower shall deliver, or cause to be delivered, to the Construction Monitor and the Bondholder Representative, the following:

(a) *Title Policy.* The Title Policy. In connection with the delivery of the Title Policy, the Title Company must confirm that it is prepared to issue its unconditional Comprehensive Endorsement No. 1, or its customary form of like "conformity" endorsement upon completion of the Project in accordance with the Plans and Specifications, to the extent such forms of endorsement are available in the State of New York. The Title Policy is not subject to review by the Construction Monitor.

(b) *Survey.* A Survey, showing:

(i) the location, and recording numbers, to the extent recorded, of all visible or recorded easements, including appurtenant easements, water courses, drains, sewers, utility lines, public and private roads, other rights of way, and curb cuts, if any, within, adjacent to or serving the Facility or to which the Facility is subject, and the proposed location of any such easements to be granted, and that the same are, and after construction of the Project and granting of easements will be, unobstructed [and that all portions of the Project will have direct access to dedicated public roads]:

(ii) the location of the servient estate of any easements, if the Facility Realty is the dominant estate thereunder;

(iii) the common street address of the [Project/Facility] and the dimensions, boundaries and acreage or square footage of the Facility Realty;

(iv) that all foundations and other structures currently under construction and all other improvements on the Facility Realty are placed within the lot and building lines and in compliance with all deed restrictions, recorded plats, other restrictions of record and ordinances relating to the location thereof and, to the extent that any deed restrictions, recorded plats, other restrictions of record or ordinances require any structure to be set back specified distances from any line showing said line and the measured distance of said structure, or the proposed location of said structure, from said line;

(v) that there are no encroachments on the Facility Realty from improvements located on adjoining property;

(vi) the location and course of all utility lines;

(vii) if the Facility Realty comprises more than one parcel or tract, interior lines and other data sufficient to insure contiguity;

(viii) a certification of flood status for the Facility Realty and the Project; and

(ix) such additional information which may be required by the Title Company.

The Survey shall be made in accordance with (A) the current survey standards of the American Land Title Association/National Society of Professional Surveyors, including items 1, 2, 3, 4, 6, 7(a) and (b), 8, 9, 10, 11(a) and (b), 13 and 17 of Table A thereof (or such other items as are acceptable to the Bondholder Representative), and (B) the laws of the State of New York. The Survey shall include the legal description of the Facility and shall run in favor of the Borrower, the Trustee and the Title Company. To the extent that there is any conflict or inconsistency among the Survey standards described above, the more restrictive standard shall apply. The Survey shall be dated not earlier than 90 days prior to the issuance of the Series 2018 Bonds (or such other date as is acceptable to the Bondholder Representative), and shall bear a proper certificate by the surveyor, which certificate shall recite compliance with the standards enumerated above, shall include the legal description of the Facility and shall run in favor of the Borrower, the Trustee and the Title Company

(c) *Insurance Policies.* Insurance policies written by companies and in such forms, amounts and coverages as required by the Project Documents to be in effect at the time of the initial disbursement of Soft Costs and/or Hard Costs and containing waiver of subrogation and mortgage clauses in favor of the Trustee and providing for 30 days' written notice to the Trustee and the Bondholder Representative in advance of cancellation of said

policies or for material modification of said policies. Without limiting the generality of the foregoing, such policies shall include all insurance required to be carried by the Borrower and the Contractor under the Institution Documents, the Contract Documents, [the Project Documents] and any subcontracts and any leases affecting the Facility.

When any portion of the Project has been completed, the Borrower shall provide to the Construction Monitor and the Bondholder Representative proof of casualty insurance with respect to such portion of the Project in accordance with the terms of the Project Documents.

(d) *Workers' Compensation Insurance.* Certificates or other evidence of workers' compensation insurance, which may be satisfied by participation in a nonsubscriber program as permitted by New York law, and of comprehensive public liability insurance, including contractual liability, covering all employees working on or about the Project or resulting from activity on the Project, with liability insurance limits for death of or injury to persons and for damage to property.

(e) *Utilities; Licenses; Permits.* Evidence reasonably satisfactory to the Borrower, the Construction Monitor and the Bondholder Representative that:

(i) all utility and municipal services required for the construction and future occupancy and operation of the Project are available for use and tap-on at the Facility, subject only to payment of fees included in the Project Budget, or will be available after construction thereof as provided in the Contract Documents, subject only to payment of costs and fees included in the Project Budget:

(ii) all Permits, including a building permit issued by the appropriate Governmental Authority authorizing construction of the Project in accordance with the Plans and Specifications, including tap-on permits, if and to the extent available, required by applicable law to construct the Project have been issued, are in full force and all fees therefor have been fully paid or, if the stage of construction of the Project does not allow or require the issuance of all such Permits, then the Borrower shall provide evidence, reasonably satisfactory to the Construction Monitor and the Bondholder Representative, that as the construction progresses the Borrower will promptly obtain and deliver to the Construction Monitor and the Bondholder Representative such Permits as and when they become available in order that the Project be completed in accordance with the Plans and Specifications:

(iii) the storm and sanitary sewage disposal system, the water system and all mechanical systems serving the Project do, or when constructed will, comply with all applicable laws, ordinances, rules and regulations, including Hazardous Materials Laws, and the applicable environmental protection agency, pollution control board and/or other Governmental Authorities having jurisdiction over the Project have issued, or when constructed will issue, their Permits for the construction thereof: and

(iv) all utility, parking, access, including curb-cuts and highway access, construction, recreational and other easements and permits required or, in the Construction Monitor's judgment, necessary for the construction of the Project have been granted or issued;

At the time of delivery of the last of such items required by this paragraph (e), the Borrower shall also deliver, or cause to be delivered, to the Construction Monitor and the Bondholder Representative a certificate of the Architect or the Construction Monitor reciting the above matters and listing, and reciting that there are so listed, all such services, permits, licenses and easements, together with copies of all Permits, utility letters, licenses and grants of easements required to initiate construction. Permits not available as of the date of issuance of the Series 2018 Bonds shall be delivered promptly to the Construction Monitor upon issuance of any such Permit.

(f) [*Geotechnical Report*. A geotechnical report prepared in accordance with current industry standards by a licensed soil engineer satisfactory to the Construction Monitor and the Bondholder Representative showing the locations of all borings, containing boring logs for all borings together with recommendations for the design of the foundations, paved areas and underground utilities for the Project confirming that no conditions exist which could cause subsidence of any portion of the Project and showing no state of facts which could materially adversely affect the Project.]

(g) *Architect's Certificate*. An Architect's Certificate substantially in the form attached hereto as Exhibit B.

(h) *Contractor's Certificate*. A Contractor's Certificate substantially in the form attached hereto as Exhibit C.

(i) [*Civil Engineer's Certificate*. A Civil Engineer's Certificate substantially in the form attached hereto as Exhibit D.]

(j) *Construction Contract*. The Borrower and the Contractor shall have agreed to and executed the Construction Contract, which shall include a final Project Budget and Construction Schedule, and such Construction Contract shall have been approved by the Bondholder Representative. Additionally, and in connection with the foregoing, one complete set of the final detailed Plans and Specifications for the Project shall be provided to the Borrower, the Construction Monitor and the Bondholder Representative, including all changes to the date of submission thereof. The executed Construction Contract shall conform to the applicable terms of this Agreement, including, without limitation, provisions regarding retainage, changes in Plans and Specifications, Change Orders, extras, bonds and Construction Schedule and which must be strictly satisfactory to the Construction Monitor in all respects: provided, however, that, if the Construction Contract does not cover all of the work necessary for completion of construction of the Project, including the installation of fixtures and equipment and work required for the operation of the Project, required to make leasable any portion of the Project intended to be leased, the Borrower shall furnish detailed studies, designs, budgets and schedules. Contract

Documents and any other information that the Construction Monitor or the Bondholder Representative shall require with respect to such additional work from responsible parties.

(k) *Architect's, Engineer's and Contractor's Contracts.* Copies of the executed Architect's Contract and any other architect's, engineer's or contractor's contracts with the Borrower relating to the Project, which must provide that title to the Plans and Specifications will vest in the Borrower on or before a date acceptable to the Construction Monitor.

(l) *Performance and Payment Bonds.* Performance and payment bonds for the Construction Contract ("Performance and Payment Bonds") on such forms as are required under the laws of the State of New York. The bonding company shall have a current A.M. Best performance rating of not less than "A" and a financial classification rating of not less than 10.

(m) *Construction Schedule.* The Construction Schedule, including a statement from each of the Contractor and the Architect that, in such Person's best professional judgment, the Construction Schedule is realistic and can be adhered to in completing the Project in accordance with the Plans and Specifications.

(n) *Project Budget.* A Project Budget setting forth in reasonable detail the costs of the Project, including reasonable contingencies.

(o) *Environmental Report.* A Phase I Environmental Site Assessment for the Project in form and substance reasonably satisfactory to the Construction Monitor and the Bondholder Representative, conducted by a qualified consultant acceptable to the Borrower, the Construction Monitor and the Bondholder Representative.

(p) *Opinions Regarding Construction Contract.* In connection with the execution and delivery of the Construction Contract (i) an opinion from counsel to the Borrower, addressed to the Trustee and the Bondholder Representative, in form and substance reasonably satisfactory to the Bondholder Representative, and (ii) an opinion from counsel to the Contractor, addressed to the Trustee and the Bondholder Representative, in form and substance reasonably satisfactory to the Bondholder Representative.

(q) *Other Funding Conditions.* All other conditions for the initial disbursement of funds for the development and construction of the Project under the Project Documents shall have been satisfied to the reasonable satisfaction of the Bondholder Representative.

Section 4.04. <u>Additional Requirements for Each Disbursement Request</u>. Each Disbursement Request shall be subject to, and the Borrower shall be responsible for submitting to the Construction Monitor and the Bondholder Representative, satisfactory proof of compliance regarding, the following:

(a) *Lien Waivers.* Except with respect to Disbursement Requests for payment to parties that do not have lien rights, the Borrower shall obtain lien releases and waivers from the Contractor, subcontractors, consultants, design and engineering professionals and

suppliers for the work or materials for which funds are requested in a Disbursement Request, which may be subject to receipt of payment of the funds requested, as follows:

(i) when submitting a Disbursement Request, the Borrower shall provide a conditional statutory lien waiver for each Person described in the foregoing paragraph (a) for which funds are requested in such Disbursement Request, in each case in the amount so requested for such Person;

(ii) after receipt of payment from the Trustee, on behalf of the Borrower, pursuant to an approved Disbursement Request, and prior to payment pursuant to a subsequent Disbursement Request, the Borrower shall provide an unconditional partial lien waiver for each Person for which a conditional lien waiver was provided pursuant to subparagraph (i), above, through the period covered by such approved Disbursement Request; and

(iii) such lien waivers shall be sent directly to the Title Company when required.

(b) *Materials for the Project.* The Borrower shall comply with the following with respect to all materials for the Project:

(i) such materials shall be purchased in a manner that will result in the ownership thereof vesting unconditionally in the Borrower, free from all Liens other than Permitted Encumbrances, upon payment of the purchase price thereof;

(ii) on delivery of such materials to the Project site, such materials shall be stored under reasonable adequate safeguards satisfactory to the Borrower, the Construction Monitor and the Bondholder Representative;

(iii) for materials stored off-site (A) an offsite materials log shall be maintained in accordance with the MA guidelines and the AIA G703, (B) upon request of the Construction Monitor or the Bondholder Representative, the Borrower shall provide invoices, certificates of insurance and pay applications as evidence thereof, and (C) such materials shall be photographed and attested to by an approved inspector; easy to locate, labeled for the Project and tagged to match up to invoices; segregated from materials of other ownership and protected from theft and weather as necessary and stored in a bonded warehouse, or a Uniform Commercial Code (UCC-1) Form shall be provided for materials or products stored by the manufacturer or a vendor on such Person's property, [except such materials as are covered by a payment and performance bond and stored in a warehouse that is not bonded, or that can be replaced without significant impact to the Construction Schedule.];

(iv) the Borrower and Trustee shall be named on the certificate of property insurance as additional insured for any such material in transit or in storage;

(v) such materials shall be subject to the lien and security interest of the applicable Security Documents and be covered by a "Builder's Risk" insurance policy; and

(vi) the Borrower, the Construction Monitor and the Bondholder Representative shall receive copies of any contracts, bills of sale, statements, receipted vouchers or agreements under which the Borrower claims title to any such materials.

(c) *Statement of Expenditures.* If requested by the Construction Monitor or the Bondholder Representative, receipt of a statement of the Contractor, with respect to Hard Cost only, and the Borrower, in form and substance reasonably satisfactory to the Construction Monitor and the Bondholder Representative, setting forth the names, addresses and amounts due or to become due as well as the amounts previously paid to every contractor, subcontractor and supplier furnishing materials for or performing labor on the construction of any part of the Project.

(d) *Representations and Warranties.* The Borrower's and the Contractor's representations and warranties made in such Disbursement Request, any Contract Document, any Project Document or any certificate, document or financial or other statement furnished thereunder or in connection herewith or therewith, shall be correct on and as of the date of the disbursement made pursuant to such Disbursement Request as if made on and as of such date except as otherwise waived in writing by the Construction Monitor and the Bondholder Representative.

(e) *No Event of Default.* No event of default under any Project Document has occurred and is continuing on the date of the disbursement made pursuant to such Disbursement Request, after giving effect to the payments to be made from such disbursement.

(f) *Damage or Injury.* The Borrower has certified in the Disbursement Request that the Project has not been materially damaged by fire or other casualty or, if the Project has been so damaged, the Trustee has received insurance proceeds, or other funds provided by the Borrower, in accordance with and as required by the Project Documents.

(g) *Permits.* If requested by the Construction Monitor or the Bondholder Representative, receipt thereby of true copies of all Permits, including revisions or amendments to Permits previously issued, required at the date the disbursement is made pursuant to such Disbursement Request for construction of the Project and not theretofore delivered to the Construction Monitor and the Bondholder Representative.

(h) *Conformity with Plans, Change Orders.* Construction of the Project shall conform to all relevant portions of the Contract Documents. Construction work shall be performed in conformity with applicable legal requirements and in a good and workmanlike manner, free of defects. The Borrower shall provide to the Construction Monitor true copies of all Change Orders and plan changes and drawings, whether or not required to be delivered to the Construction Monitor pursuant to any other provision of this

Agreement. In addition to all approvals for Change Orders required from the Borrower pursuant to the Construction Contract, all Change Orders must be reviewed and approved by the Construction Monitor and the Bondholder Representative, as set forth in Section 5.02.

(i) *Project Budget.* The Borrower shall provide, or cause to be provided, to the Construction Monitor and the Bondholder Representative the then current Project Budget, with a cost breakdown, and documentation demonstrating that any substantial Change Orders are within such Project Budget and will not materially adversely affect the Project, together with a certificate of the Architect that construction of the improvements is progressing in accordance with the Construction Schedule.

(j) *Updated Construction Schedule.* The Borrower shall provide, or cause to be provided, to the Construction Monitor and Bondholder Representative, the then current Construction Schedule, including a statement from each of the Contractor and the Architect that, in such Person's best professional judgment, such Construction Schedule is realistic, that construction of the Project is progressing in accordance with such Construction Schedule and such Construction Schedule can be adhered to in completing the Project in accordance with the Plans and Specifications.

(k) *Compliance.* All conditions precedent to the disbursement requested pursuant to such Disbursement Request have been satisfied, including performance by the Borrower of all of its obligations under this Agreement.

(l) *Title Update.* [A down date endorsement to the Title Policy that no mechanics' or materialmen's liens have been filed of record.]

(m) *Foundation Survey.* Within 30 days of the completion of the building foundation for the Project, the Developer has delivered to the Construction Monitor and Bondholder Representative (i) a foundation survey, certified by a registered engineer or surveyor, to the satisfaction of the Construction Monitor, showing that the location of the foundation for the Project is within the perimeter of the Facility Realty and its relation to all bounding lines, set-back lines, wetlands areas and easements relating to the Facility Reality, (ii) a certificate from the Architect and the Contractor stating that the foundation work and all other work in place conforms to the Plans and Specifications and identifying any portion of the Project consisting of subsurface work that has not yet been completed, and (iii) a statement from the Architect concerning the foundation work. If material amounts of additional perimeter walls or ground level improvements have been added since the date of the survey delivered pursuant to Section 4.03, an updated survey of the Facility Realty.

(n) *Loan Balancing.* The Borrower shall pay Project Costs that are in excess of the amounts available therefor in the Project Account. Shortfalls in such amounts available in the Project Account may be addressed by a Change Order made in accordance with the terms of this Agreement, including any reallocation of the Project Budget, or by the Borrower depositing cash into the Project Account, or a combination thereof.

Section 4.05. Additional Requirements for Final Disbursement and Final Release of Remaining Retainage Amounts. On or prior to the date of the certification by the Construction Monitor and the Bondholder Representative for the release of any remaining Retainage [for Hard Costs], in addition to satisfaction of the conditions set forth in Sections 4.02, 4.03 and 4.04 of this Agreement, the Borrower shall have provided the items listed below to the Construction Monitor and the Bondholder Representative:

(a) *Architect's Certificate.* Certification of the Architect, under the duty of care standards articulated in the [Architect's Agreement/Construction Contract] and on an AIA form approved by the Construction Monitor, that the improvements relating to such Retainage have been substantially completed in accordance with the Plans and Specifications and all applicable covenants, easements and restrictions, if any, except for such punch list items as are identified pursuant to paragraph (g), below;

(b) *Release of Liens.* A final release of liens, conditioned only on receipt of payment, signed by the Contractor and all subcontractors and suppliers under the Construction Contract in form and content reasonably acceptable to the Borrower, the Construction Monitor and the Bondholder Representative;

(c) *Governmental Approvals.* Evidence of approval, including permanent or temporary occupancy permits and licenses, if required, by all Governmental Authorities the approval of which is required of the completed Project, for the occupancy thereof or for the intended uses thereof;

(d) *Final As-Built Survey.* A final survey and surveyor's certification reasonably acceptable to the Title Company and approved by the Construction Monitor and the Bondholder Representative, showing the as-built location of the completed improvements, the perimeter of the [Project/Facility] by courses and distances, any existing foundations and footings for the improvements, all easements and rights-of-way, the boundary lines of the streets abutting the [Project/Facility], any encroachments and the extent thereof in feet and inches, the relation of the improvements by distances to the perimeter of the [Project/Facility] and the building lines;

(e) *Contractor's Affidavit.* An affidavit of the Contractor acceptable to the Borrower, the Construction Monitor and the Bondholder Representative to the effect that (i) that the improvements relating to such Retainage have been completed substantially in accordance with the Contract Documents, except for punch list items identified pursuant to paragraph (g), below, (ii) that, with respect to all amounts due from the Contractor to all subcontractors and materialmen who have provided services or materials in connection with the construction of the Project (A) if the Contractor has received payment for such services or materials, the subcontractors and materialmen that have provided such services or materials have been paid, provided that the Contractor has received payment for those services or materials, and (B) if the Contractor has not received payment for such services or materials, such services and materials will be paid in full from the proceeds of the Retainage, (iii) that the Title Company and the Contractor have received lien waivers or releases from such subcontractors and materialmen in a form acceptable to the Borrower, the Construction Monitor and the Bondholder Representative, (iv) that the Contractor and,

to its actual knowledge, such subcontractors and materialmen, if a union member or subject to a contract with one or more unions, have paid all union benefits then due and owing to such unions, and (v) such other information as the Borrower, the Construction Monitor and the Bondholder Representative may reasonably require;

(f) *Borrower's Certificate.* A certificate of the Borrower acceptable to the Construction Monitor and the Bondholder Representative to the effect that (i) the acquisition, construction, equipping and development of the Project has been substantially completed in accordance with the Plans and Specifications, all applicable zoning and building laws, ordinances, rules and regulations and in accordance with the applicable provisions of the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq., (ii) all costs and expenses for all labor, materials, equipment and services used in connection with such acquisition, construction, equipping and development have been paid in full or will be paid in full from the proceeds of the Retainage, (iii) all other material improvements necessary in connection with the Project have been acquired, constructed and completed, and all costs and expenses incurred in connection therewith have been paid in full or will be paid from the proceeds of the Retainage, (iv) substantially all of the equipment, materials and furnishings have been purchased and installed in the Project and all costs and expenses thereof have been paid in full or will be paid from the proceeds of the Retainage, and (v) the Project is suitable and sufficient for its intended purpose;

(g) *Establishment of a Punch List.* A schedule, prepared by the Architect, by descriptive line item, of minor items of the acquisition, construction, equipping and development of the Project that remain uncompleted as of the date of substantial completion of the Project, which schedule shall include estimates of the actual cost of completion of each such item be provided to the Borrower, the Construction Monitor and the Bondholder Representative. Said schedule shall be reviewed by the Construction Monitor and approved by the Borrower and the Bondholder Representative, and 200% of the total of the estimated costs of such line items shall be retained in the Project Account;

(h) *Title Policy Endorsement.* An endorsement to the Title Policy, in form and content acceptable to the Bondholder Representative, updating the Title Policy to the date of the certification of the as-built survey described in paragraph (d), above, in in an amount not less than the principal amount of the Series 2018 Bonds, with no exceptions other than Permitted Encumbrances and without any survey exception other than "shortages in area" as required by applicable law. A copy of such endorsement shall be provided to the Trustee and the Bondholder Representative;

(i) *Permanent Insurance.* Evidence that the policies of insurance required under the Loan Agreement are in effect and the premiums therefor have been paid in full and that such policies have been provided to the Trustee. Copies of such policies shall be provided to the Bondholder Representative:

(j) *As-Built Plans and Specifications.* Evidence that the Construction Monitor and the Bondholder Representative have received as-built Plans and Specifications for the Project:

(k) *Fixtures and Equipment Free of Liens.* Evidence that all fixtures and equipment required for the operation of the Project have been installed free and clear of all Liens, title retention agreements and security interests, except Permitted Encumbrances;

(l) *No Encumbrances.* A report of the Title Company or the appropriate filing office in the State of New York indicating that no judgments, tax or other liens, security interests, leases of personalty, financing statements or other encumbrances, other than Permitted Encumbrances, are of record or on file encumbering any portion of the Facility, and that there are no judgments or tax liens outstanding against the Borrower; and

(m) *Compliance with Agreement.* Such other evidence as may be reasonably required by the Bondholder Representative to demonstrate that all other requirements of this Agreement have been complied with.

ARTICLE V

GENERAL LIMITATIONS; CHANGE ORDERS; REALLOCATIONS; REVISIONS

Section 5.01. General Disbursement Limitations. Each disbursement for the payment of Project Costs in each category of cost in the Project Budget, as modified by any Change Orders pursuant to Section 5.02 and by any reallocation of line items pursuant to Section 5.03, shall be limited to the amount shown for such category. Disbursements shall be made only to pay directly for such Project Costs or to reimburse the Borrower or the Contractor for such Project Costs actually incurred or earned by the Contractor, as applicable. The aggregate amount of disbursements for payment of Hard Costs shall not exceed the lesser of (a) the actual cost of the work and labor done on, and the improvements and materials incorporated in, the Project, or stored in accordance with Section 4.04(b), exclusive of Retainage, or (b) the actual value, as determined by the Construction Monitor and approved by the Bondholder Representative, of satisfactory work and labor done on, and the improvements and materials incorporated in, the Project, or stored in accordance with Section 4.04(b), less Retainage. Retainage amounts shall be advanced only upon satisfaction of the conditions set forth in Section 4.05.

Section 5.02. Change Orders. The Borrower shall not execute, or permit the performance of work or the furnishing of materials pursuant to, any Change Order for any individual change valued at $[_____] or more, or if any change would put the total of all such changes in the aggregate at $[_____] or more, until such Change Order has been submitted by the Borrower to and reviewed by the Construction Monitor and approved in writing by the Bondholder Representative. The Borrower shall furnish the Construction Monitor and the Bondholder Representative copies of all Change Orders promptly after execution thereof. The Borrower shall procure appropriate amendments to any Performance and Payment Bonds in effect affected by any Change Order and shall provide the Construction Monitor and the Bondholder Representative.

Section 5.03. Reallocation of Budget Line Items. Line items may be reallocated within the Project Budget if the Borrower certifies that (i) sufficient funds remain in the line item from which the amount is to be reallocated to pay all Project Costs that may be paid from that line item, (ii) there is no Project Costs Deficit, and (iii) with respect to Hard Costs, such certification is

reviewed and verified by the Construction Monitor and approved by the Bondholder Representative.

Section 5.04. Revisions to Project Completion Schedule. If at any time the Borrower or the Construction Monitor reasonably determines that the completion of the Project will not occur within [30] days of the Project Completion Date, the Borrower shall deliver to the Construction Monitor and the Bondholder Representative (i) a written report setting forth the reasons for such delay, the measures to be undertaken to complete the Project on the earliest practicable completion date and a proposed revision to the Construction Schedule, and (ii) a revised Project Budget that reflects the impact of such proposed revision of the Construction Schedule. If the Construction Monitor determines that completion of the Project will not occur in accordance with such proposed revision of the Construction Schedule, the Construction Monitor shall give written notice of such determination to the Borrower and the Bondholder Representative. No later than [60] days after receipt of such notice, the Borrower shall provide the Construction Monitor and the Bondholder Representative with an analysis and recommendation of an independent construction scheduling consultant reasonably acceptable to the Construction Monitor and the Bondholder Representative and, if approved in writing by the Construction Monitor and the Bondholder Representative, the Construction Schedule shall be revised, either in accordance with such recommendation or as otherwise determined by the Construction Monitor and the Bondholder Representative.

Section 5.05. Disapproval for Non-Compliance. The Construction Monitor shall not approve any Disbursement Request and the Bondholder Representative need not approve any Disbursement Request, and either may instruct the Trustee not to fund a Disbursement Request, if the Borrower has not complied with the requirements of this Agreement.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely

If to the Borrower:

Richmond Medical Center
(d/b/a Richmond University Medical Center)
355 Bard Avenue
Staten Island, New York 10310
Attention: Senior Vice President and Chief Financial Office

with a copy to

Garfunkel Wild, P.C.
111 Great Neck Road, Suite 600
Great Neck, New York 11021
Attention: Andrew Schulson, Esq.

If to the Trustee:

U.S. Bank National Association
100 Wall Street, Suite 1600
New York, New York 10005
Attention: Corporate Trust Administration

If to the Bondholder Representative:

Preston Hollow Capital, LLC
1717 Main Street, Suite 3900
Dallas, Texas 75201
Attention: General Counsel/Director of Operations
Email: jdinan@phcllc.com; kstephens@phcllc.com
Phone: (214) 389-0833

If to the Construction Monitor:

Fulcrum, LLC
7373 E. Doubletree Ranch Road, Suite B-150
Phoenix, AZ 85258
Attention: Hugh C. Coyle, FRICS
Email: hcoyle@fulcrumcompany.com
Phone: (602) 759-7884

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (c) if given by electronic mail (which shall be promptly followed by notice given by first-class mail), when confirmation of transmission of the electronic mail is obtained, and (d) if given by any other means, upon delivery at the address specified in this Section.

Section 6.02. Limitation of Rights. Nothing in this Agreement expressed or implied is intended or shall be construed to give to any Person other than the Borrower, the Trustee, the Bondholder Representative and the Construction Monitor any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provision herein contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Borrower, the Trustee, the Bondholder Representative and the Construction Monitor.

Section 6.03. Amendments; Assignment. (a) This Agreement may not be effectively amended, supplemented, modified, altered or terminated except by a written instrument signed by the parties hereto, and only as permitted in accordance with the terms of the Indenture.

(b) None of the Borrower, the Trustee or the Construction Monitor may assign its rights or obligations under this Agreement without the prior written consent of the Bondholder Representative.

Section 6.04. Electronic Storage. The parties hereto agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 6.05. Severability. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 6.06. Governing Law, Consent to Jurisdiction and Waiver of Jury Trial. (a) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

(b) Each party hereto irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of or related to this Agreement may be brought in the courts of record of the State in New York County or the United States District Court for the Southern District of New York, (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding, (iii) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts, and (iv) waives and relinquishes any rights it might otherwise have (A) to move to dismiss on grounds of *forum non conveniens*, (B) to remove to any federal court other than the United States District Court for the Southern District of New York, and (C) to move for a change of venue to a New York State Court outside New York County.

(c) Each party hereto hereby expressly waives all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or any matters whatsoever arising out of or in any way connected with this Agreement. The provisions of this Agreement relating to waiver of trial by jury shall survive the termination or expiration of this Agreement.

(d) The waivers made pursuant to this Section are irrevocable and unmodifiable, whether in writing or orally, and are applicable to any subsequent amendments, renewals, supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 6.07. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

RICHMOND MEDICAL CENTER (DBA RICHMOND UNIVERSITY MEDICAL CENTER)

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Authorized Officer

PRESTON HOLLOW CAPITAL, LLC, AS BONDHOLDER REPRESENTATIVE

By: _____
Name:
Title:

ACCEPTED AND AGREED:

FULCRUM, LLC

By: _____
Name:
Title:

EXHIBIT A

FORM OF DISBURSEMENT REQUEST

BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS (RICHMOND MEDICAL CENTER PROJECT) SERIES 2018A AND SERIES 2018B

DISBURSEMENT REQUEST NO. _____
FOR PAYMENT FROM THE PROJECT ACCOUNT

Richmond Medical Center (d/b/a Richmond University Medical Center), a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code (the "Borrower"), hereby states and certifies:

(a) that the undersigned is an "Authorized Representative" of the Borrower, as such term is defined in the Indenture, dated as of December 1, 2018 (the "Indenture"), by and between the Build NYC Resource Corporation and U.S. Bank National Association, as trustee (the "Trustee");

(b) that the Trustee is hereby requested to disburse from the Project Account established pursuant to Section 5.01 of the Indenture (the "Project Account"), to the payees set forth on the Itemized Statement of Costs attached hereto as Schedule A, the amount set forth on such Itemized Statement of Costs opposite each such payee, for payment of the Budget Line Item of the Hard Costs or Soft Costs, as applicable, set forth on such Itemized Statement of Costs opposite each such payee;

(c) that the representations and warranties made by the Borrower in the Project Documents are true and correct in all material respects as of the date hereof with the same effect as if made on the date hereof;

(d) that, to the knowledge of the Borrower, no event has occurred and is continuing that constitutes an event of default under any Project Document or that would, with the passage of time or the giving of notice, or both, constitute an event of default under any Project Document;

(e) that this Disbursement Request is submitted pursuant to and in accordance with, and satisfies the requirements of, Section 5.02 of the Indenture and Section 4.02 of the Construction Disbursement and Monitoring Agreement, dated as of _____ 1, 2019 (the "Disbursement Agreement"), by and among the Borrower, the Trustee and Preston Hollow Capital, LLC;

(f) that, in accordance with Section 4.02 of the Disbursement Agreement, accompanying this Disbursement Request are a Certificate of the Borrower in substantially the form of Attachment A to the form of Disbursement Request set forth in Exhibit A to the Disbursement Agreement (the "Form of Disbursement Request"), a Certificate of the Contractor in substantially the form of Attachment B to the Form of Disbursement Request, a Confirmation of the Construction Monitor in substantially the form of Attachment C to the Form of Disbursement Request, a Certificate of the Architect in substantially the form of Attachment D to

the Form of Disbursement Request and a completed checklist of monthly required documentation in substantially the form of Attachment E to the Form of Disbursement Request; and

(g) Fulcrum, LLC is the Construction Monitor appointed pursuant to the Disbursement Agreement and Preston Hollow Capital, LLC is the Bondholder Representative appointed pursuant to the Indenture.

Capitalized undefined terms used herein have the meanings ascribed thereto in the Construction Disbursement Agreement.

Dated: _____

RICHMOND MEDICAL CENTER (DBA RICHMOND UNIVERSITY MEDICAL CENTER)

By: _____
Name: _____
Title: _____

APPROVED BY CONSTRUCTION MONITOR:

FULCRUM, LLC

By: _____
Name: _____
Title: _____

APPROVED BY BONDHOLDER REPRESENTATIVE:

PRESTON HOLLOW CAPITAL, LLC

By: _____
Name: _____
Title: _____

SCHEDULE A

ITEMIZED STATEMENT OF COSTS

Hard Costs

Budget Line Item	Payee	Amount

Total Hard Costs:
$_____

Soft Costs

Budget Line Item	Payee	Amount

Total Soft Costs: $_____

TOTAL DISBURSEMENT REQUEST $_____

ATTACHMENT A

FORM OF CERTIFICATE OF BORROWER

BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS (RICHMOND MEDICAL CENTER PROJECT) SERIES 2018A AND SERIES 2018B

CERTIFICATE OF BORROWER

Richmond Medical Center (d/b/a Richmond University Medical Center), a New York State not-for-profit corporation (the "Borrower"), hereby states and certifies as follows:

(a) that the undersigned is an authorized representative of the Borrower and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that this Certificate of Borrower is delivered pursuant to Section 4.02 of the Construction Disbursement and Monitoring Agreement, dated as of _____ 1, 2019 (the "Disbursement Agreement"), by and among the Borrower, U.S. Bank National Association, as Trustee, and Preston Hollow Capital, LLC, in connection with Disbursement Request No. ___ For Payment From the Project Account, dated _____ (the "Accompanying Disbursement Request");

(c) that the obligations as set forth on Accompanying Disbursement Request were incurred for Project Costs, and represent a proper charge against the Project Account;

(d) that all previous disbursements made pursuant to a Disbursement Request have been expended for Project Costs described in such Disbursement Request;

(e) that the Accompanying Disbursement Request contains no items representing payment on account of any Retainage required to be retained by the Borrower at the date hereof;

(f) that the amounts requested to be disbursed pursuant to the Accompanying Disbursement Request are for Project Costs that have not been the basis of a prior, and are not the basis of a contemporaneous, Disbursement Request or of a prior payment of an external loan or of a prior reimbursement of internal advances; provided, however, that a Disbursement Request made in accordance with the provisions of the Disbursement Agreement for Retainage that was required to be retained with respect to Project Costs for which amounts have been disbursed pursuant to a prior Disbursement Request shall not constitute Project Costs that have been the basis of a contemporaneous Disbursement Request;

(g) that, either (i) the items for which payment is requested to be disbursed pursuant to the Accompanying Disbursement Request do not represent a material change from the Plans and Specifications, or (ii) if such items do represent such a material change, such obligations have been reviewed and confirmed by the Construction Monitor and approved by the Bondholder Representative;

(h) that the amount of such Project Costs included in the Accompanying Disbursement Request either has been incurred by the Borrower or is due to the Contractor or subcontractors for labor, materials, services or equipment furnished for the construction and equipping of the Project insofar as actually incorporated therein (or stored in accordance with Section 4.04(b) of the Disbursement Agreement) up to the date of the Accompanying Disbursement Request (in the case of the first Disbursement Request) or to the date of the Accompanying Disbursement Request from the date of the previous Disbursement Request (in the case of any subsequent Disbursement Request);

(i) that the construction of the Project to date has been performed in a good and workmanlike manner and substantially in accordance with the Contract Documents and the progress thereof is such that the Project will be substantially completed [on or before _____ [six months] following the issuance of the Architect's certificate of completion] [in accordance with the Construction Schedule];

(j) that there are no material impediments that would present a threat to completion of construction of the Project (i) at the costs contemplated in the Project Budget, or (ii) on the schedule contemplated in the Construction Schedule;

(k) that no notice of any mechanics' or other lien or encumbrance upon the Project by reason of labor, materials, services or equipment supplied or claimed to be supplied in connection with the Project has been received by the Borrower or has been filed, or if any notice of any such lien or encumbrance upon the Project has been received by the Borrower or has been filed, such lien or encumbrance has been discharged or dissolved or will be discharged or dissolved concurrently with payment of the Accompanying Disbursement Request and, if applicable, attached hereto are waivers of such mechanic's liens;

(l) that the amount remaining on deposit in the Project Account at the end of the month immediately preceding the date of the Accompanying Disbursement Request is $_____ (the "Project Account Balance"), and (i) the Project Account Balance is sufficient to pay the expected remaining Project Costs of completing the Project in accordance with the Plans and Specifications, the Construction Schedule and the Project Budget, and there is no Project Costs Deficit, (ii) the amount remaining in the Project Budget for Hard Costs is sufficient for the payment of the Hard Costs anticipated to be incurred through the Project Completion Date, and (iii) the amount remaining in the Project Budget for Soft Costs is sufficient for the payment of the Soft Costs anticipated to be incurred through the Project Completion Date;

(m) that the Bondholder Representative and Trustee have received the title bring down and endorsement that comply with the requirements of Section 4.04(l) of the Disbursement Agreement;

(n) that all other applicable requirements of the Disbursement Agreement have been satisfied and the representations and warranties made by the Borrower in the Disbursement Agreement and the Project Documents are true and correct in all material respects as of the date hereof with the same effect as if made on this date:

(o) that all insurance policies required to be in place under the Construction Contract and the Loan Agreement are in full force in effect;

(p) that amounts previously requested to be disbursed for each category of Project Cost listed in the Accompanying Disbursement Request, together with the amount requested to be disbursed for such category in the Accompanying Disbursement Request, do not exceed the total amount shown for such category in the Project Budget;

(q) that all costs in the categories listed in the Itemized Statement of Costs set forth in Schedule A to the Accompanying Disbursement Request have been paid, or will be paid from amounts disbursed for such purpose pursuant thereto based on existing contracts or purchase orders, and the amounts requested to be disbursed therefor pursuant to the Accompanying Disbursement Request are sufficient to pay such costs;

(r) that, as to any obligation stated on the Accompanying Disbursement Request incurred in or for payment of the purchase price of any item of materials, equipment or other personal property, the Borrower has or, upon disbursement pursuant to such Accompanying Disbursement Request, will have, title to such property free and clear of any lien or encumbrance other than Permitted Encumbrances;

(s) that, if a final payment of remaining Retainage is included in the Accompanying Disbursement Request, all of the requirements of Section 4.05 of the Disbursement Agreement have been satisfied;

(t) that no material portion of the Project has been materially injured, damaged or destroyed or, if any such portion of the Project has been injured, damaged or destroyed, such portion of the Project has been repaired, restored or replaced or is in the process of being repaired, restored or replaced in accordance with the provisions of the Project Documents;

(u) that the Accompanying Disbursement Request, and all certificates, statements, backup documentation and other writings required to be furnished by the Borrower under the terms of the Disbursement Agreement in connection therewith have been so furnished by the Borrower and are true in all material respects and omit no material fact, the omission of which may make them misleading;

(v) that all building and other permits for the construction of the Project to be obtained from Governmental Authorities have been obtained or have been approved, with issuance pending only the payment of certain impact fees, to the extent required under applicable law;

(w) that there have been no material changes in the Project Budget, except those expressly permitted by and made in accordance with the Disbursement Agreement, the Project Documents and the Construction Contract;

(x) that the Accompanying Disbursement Request and all accompanying certificates, exhibits and attachments shall be conclusive evidence of the facts and statements set forth therein and shall constitute full warrant, protection and authority to the Construction Monitor and the Bondholder Representative for their respective actions taken pursuant hereto;

(y) that no litigation or proceeding is pending or, to the best knowledge of the Borrower, threatened, including any proceeding under Title 11 of the United States Code, against the Borrower, which litigation or proceeding could materially adversely affect the Borrower's ability to perform its obligations under the Project Documents, or which could materially adversely affect the completion of the Project; and

(z) that the representations and warranties made by the Borrower in the Project Documents are true and correct in all material respects as of the date hereof with the same effect as if made on this date.

Capitalized undefined terms used herein have the meaning ascribed thereto in the Disbursement Agreement.

Dated: _____

RICHMOND MEDICAL CENTER (DBA RICHMOND UNIVERSITY MEDICAL CENTER)

By: _____
Name: _____
Title: _____

ATTACHMENT B

FORM OF CERTIFICATE OF CONTRACTOR

BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS (RICHMOND MEDICAL CENTER PROJECT) SERIES 2018A AND SERIES 2018B

CERTIFICATE OF CONTRACTOR

[_____], a _____ (the "Contractor"), hereby states and certifies as follows:

(a) that the undersigned is an authorized representative of the Contractor and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that this Certificate of Contractor is delivered pursuant to Section 4.02 of the Construction Disbursement and Monitoring Agreement, dated as of _____ 1, 2019 (the "Disbursement Agreement"), by and among Richmond Medical Center (d/b/a Richmond University Medical Center), U.S. Bank National Association, as Trustee, and Preston Hollow Capital, LLC, in connection with Disbursement Request No. ___ For Payment From the Project Account, dated _____ (the "Accompanying Disbursement Request");

(c) that the amounts requested to be disbursed pursuant to the Accompanying Disbursement Request are for Project Costs that have not been the basis of a prior, and are not the basis of a contemporaneous, Disbursement Request or of a prior payment of an external loan or of a prior reimbursement of internal advances; provided, however, that a Disbursement Request made in accordance with the provisions of the Disbursement Agreement for Retainage that was required to be retained with respect to Project Costs for which amounts have been disbursed pursuant to a prior Disbursement Request shall not constitute Project Costs that have been the basis of a contemporaneous Disbursement Request;

(d) that, either (i) the items for which payment is requested to be disbursed pursuant to the Accompanying Disbursement Request do not represent a material change from the Plans and Specifications, or (ii) if such items do represent such a material change, such obligations have been reviewed and confirmed by the Construction Monitor and approved by the Bondholder Representative;

(e) that the amount of such Project Costs included in the Accompanying Disbursement Request payable to the Contractor either has been incurred by the Contractor or is due to subcontractors for labor, materials, services or equipment furnished for the construction and equipping of the Project insofar as actually incorporated therein (or stored in accordance with Section 4.04(b) of the Disbursement Agreement) up to the date of the Accompanying Disbursement Request (in the case of the first Disbursement Request) or to the date of the Accompanying Disbursement Request from the date of the previous Disbursement Request (in the case of any subsequent Disbursement Request);

(f) that, if payments under the Construction Contract are included in the Accompanying Disbursement Request, AIA Forms G702 and G703 executed by the Borrower and the Contractor are attached to this Certificate as Appendix A;

(g) that the construction of the Project to date has been performed in a good and workmanlike manner and substantially in accordance with the Contract Documents and the progress thereof is such that the Project will be substantially completed [on or before _____ [six months] following the issuance of the Architect's certificate of completion] [in accordance with the Construction Schedule];

(h) that there are no material impediments that would present a threat to completion of construction of the Project (i) at the costs contemplated in the Project Budget, or (ii) on the schedule contemplated in the Construction Schedule;

(i) that no litigation or proceeding is pending or, to the best knowledge of the Contractor, threatened, including any proceeding under Title 11 of the United States Code, against the Contractor, which litigation or proceeding could materially adversely affect the Contractor's ability to perform its obligations under the Contract Documents, or which could materially adversely affect the completion of the Project; and

(j) that the representations and warranties made by the Contractor in the Contract Documents are true and correct in all material respects as of the date hereof with the same effect as if made on this date.

Capitalized undefined terms used herein have the meaning ascribed thereto in the Disbursement Agreement.

Dated: _____

[CONTRACTOR]

By: _____
Name: _____
Title: _____

APPENDIX A
TO CERTIFICATE OF CONTRACTOR

AIA FORMS G702 AND G703

[Contractor to Attach if Applicable]

ATTACHMENT C

FORM OF CONFIRMATION OF CONSTRUCTION MONITOR

BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS (RICHMOND MEDICAL CENTER PROJECT) SERIES 2018A AND SERIES 2018B

CONFIRMATION OF CONSTRUCTION MONITOR

Fulcrum, LLC, an Arizona limited liability company (the "Construction Monitor"), hereby states and certifies as follows:

(a) that the undersigned is an authorized representative of the Construction Monitor and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that this Confirmation of Construction Monitor is delivered pursuant to Section 4.02 of the Construction Disbursement and Monitoring Agreement, dated as of _____ 1, 2019 (the "Disbursement Agreement"), by and among Richmond Medical Center (d/b/a Richmond University Medical Center), U.S. Bank National Association, as Trustee, and Preston Hollow Capital, LLC, in connection with Disbursement Request No. ___ For Payment From the Project Account, dated _____ (the "Accompanying Disbursement Request");

(c) that the amounts requested to be disbursed pursuant to the Accompanying Disbursement Request are for Project Costs that have not been the basis of a prior, and are not the basis of a contemporaneous, Disbursement Request or of a prior payment of an external loan or of a prior reimbursement of internal advances; provided, however, that a Disbursement Request made in accordance with the provisions of the Disbursement Agreement for Retainage that was required to be retained with respect to Project Costs for which amounts have been disbursed pursuant to a prior Disbursement Request shall not constitute Project Costs that have been the basis of a contemporaneous Disbursement Request;

(d) that, either (i) the items for which payment is requested to be disbursed pursuant to the Accompanying Disbursement Request do not represent a material change from the Plans and Specifications, or (ii) if such items do represent such a material change, such obligations have been reviewed and confirmed by the Construction Monitor and approved by the Bondholder Representative;

(e) that the amount of such Project Costs included in the Accompanying Disbursement Request either has been incurred by the Borrower or is due to the Contractor or subcontractors for labor, materials, services or equipment furnished for the construction and equipping of the Project insofar as actually incorporated therein (or stored in accordance with Section 4.04(b) of the Disbursement Agreement) up to the date of the Accompanying Disbursement Request (in the case of the first Disbursement Request) or to the date of the Accompanying Disbursement Request from the date of the previous Disbursement Request (in the case of any subsequent Disbursement Request);

(f) that the amounts remaining in the Project Budget for Hard Costs are sufficient for the payment of the Hard Costs anticipated to be incurred through the Project Completion Date and the amounts remaining in the Project Budget for Soft Costs are sufficient for the payment of the Soft Costs anticipated to be incurred through the Project Completion Date;

(g) that the Construction Monitor has received copies of receipted bills, bills, paid invoices, invoices, payroll records or other evidence to its satisfaction supporting each item of the Hard Costs covered by the Accompanying Disbursement Request, and satisfactory lien releases and waivers from the Borrower, the Contractor and subcontractors for the work for which disbursement of funds is requested pursuant to the Accompanying Disbursement Request (which may be subject to receipt of payment of the funds requested); and

(h) that the Construction Monitor has received satisfactory proof of compliance with all requirements and procedures required under Section 4.02, Section 4.03, Section 4.04 and Section 4.05, as applicable, of the Disbursement Agreement.

Capitalized undefined terms used herein have the meaning ascribed thereto in the Disbursement Agreement.

Dated: _____

FULCRUM, LLC

By: _____
Name: _____
Title: _____

ATTACHMENT D

FORM OF CERTIFICATE OF ARCHITECT

BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS (RICHMOND MEDICAL CENTER PROJECT) SERIES 2018A AND SERIES 2018B

CERTIFICATE OF ARCHITECT

[_____], a _____ (the "Architect"), hereby states and certifies, based upon and to the extent of the duty of care standards in the [Architect Agreement/Construction Contract] and on the basis of any conditions actually observed during such site visits as are required under the [Architect Agreement/Construction Contract], subject to such limitations, exceptions, and qualifications set forth in the [Architect Agreement/Construction Contract] as follows:

(a) that the undersigned is an authorized representative of the Architect and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that this Certificate of Architect is delivered pursuant to Section 4.02 of the Construction Disbursement and Monitoring Agreement, dated as of _____ 1, 2019 (the "Disbursement Agreement"), by and among Richmond Medical Center (d/b/a Richmond University Medical Center), U.S. Bank National Association, as Trustee, and Preston Hollow Capital, LLC, in connection with Disbursement Request No. ___ For Payment From the Project Account, dated _____ (the "Accompanying Disbursement Request");

(c) that the Accompanying Disbursement Request is recommended for payment;

(d) that the obligations on account of which payment is to be made were properly incurred and the amount requested is due and unpaid to the Contractor;

(e) that the cost of completing the Project in accordance with the Plans and Specifications and the Construction Schedule (excluding costs not covered under the Contract Documents) is $_____;

(f) that, $_____, the amount of the Project Account Balance specified in the Certificate of Borrower accompanying the Accompanying Disbursement Request, is sufficient to pay the expected remaining Project Costs of completing the Project in accordance with the Plans and Specifications, the Construction Schedule and the Construction Budget;

(g) that, insofar as payment from the amount to be disbursed pursuant to the Accompanying Disbursement Request is to be made for labor, materials, services or equipment, the work on the Project has progressed to the point indicated and the materials, services and equipment have been installed in the Project or have been delivered either to the Project or at the proper place for fabrication and the actual value thereof is not less than the amount requested therefor pursuant to the Accompanying Disbursement Request;

(h) that the quality of the work on the Project is in accordance with the Plans and Specifications and the Contract Documents and the progress thereof is such that the Project can reasonably be expected to be substantially completed by the Project Completion Date, assuming that such progress continues at a pace consistent with the Construction Schedule;

(i) that all certificates, permits, licenses, consents and Governmental Authority approvals or authorizations necessary for the construction, completion and intended use of the Project have been issued or, if the progress of construction of the Project does not yet require issuance thereof, the Architect does not know of any reason why such certificates, permits, licenses, consents, approvals or authorizations will not be issued in due course upon application therefor;

(j) that the amount of Hard Costs included in the Disbursement Request is not greater than the actual value of labor, materials, services or equipment incorporated in the Project (or stored in accordance with Section 4.04(b) of the Disbursement Agreement) up to the date of the Accompanying Disbursement Request (in the case of the first Disbursement Request) or to the date of the Accompanying Disbursement Request from the date of the previous Disbursement Request (in the case of any subsequent Disbursement Request), less any required Retainage;

(k) that there are no material impediments that would present a threat to completion of construction of the Project (i) at the costs contemplated in the Project Budget, or (ii) on the schedule contemplated in the Construction Schedule; and

(l) that attached hereto as Appendix A is a chart specifying the stage and percentages of completion which has been achieved by each of the various trades engaged in the construction of the Project.

Capitalized undefined terms used herein have the meaning ascribed thereto in the Disbursement Agreement.

Dated: _____

[ARCHITECT]

By: _____
Name: _____
Title: _____

APPENDIX A
TO CERTIFICATE OF ARCHITECT

FORM OF ARCHITECT'S CHART

[Architect to Attach]

ATTACHMENT E

FORM OF CHECKLIST

[form to be provided by?]

EXHIBIT B

FORM OF ARCHITECT'S CERTIFICATE

BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS (RICHMOND MEDICAL CENTER PROJECT) SERIES 2018A AND SERIES 2018B

ARCHITECT'S CERTIFICATE

[_____], a _____ (the "Architect"), hereby states and certifies, based upon the care and skill ordinarily exercised by an architect rendering the same or similar services at the same time and place the services of the Architect were rendered (the "Standard of Care"), as follows:

(a) that the undersigned is an authorized representative of the Architect and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that this Architect's Certificate is delivered pursuant to Section 4.03 of the Construction Disbursement and Monitoring Agreement, dated as of _____ 1, 2019 (the "Disbursement Agreement"), by and among Richmond Medical Center (d/b/a Richmond University Medical Center), U.S. Bank National Association, as Trustee, and Preston Hollow Capital, LLC;

(c) that the Architect has professional liability insurance satisfying the requirements therefor in the [Construction Contract/Architect's Agreement] and in an amount not less than the amount set forth in the [Construction Contract/Architect's Agreement];

(d) that (i) a list of the certificates, permits, licenses, consents or Governmental Authority approvals or authorizations relevant to the services of the Architect under the Construction Contract is attached hereto as Appendix A, and (ii) all such certificates, permits, licenses, consents and Governmental Authority approvals or authorizations necessary for commencement of construction of the Project have been issued or, if the progress of construction of the Project does not yet require issuance thereof, the Architect does not know of any reason why such certificates, permits, licenses, consents, approvals or authorizations will not be issued in due course upon application therefor, except as described in Appendix A attached hereto;

(e) that (i) the Plans and Specifications have been prepared in accordance with the Standard of Care, (ii) the Plans and Specifications, as submitted to the Construction Monitor for review and approval, are sufficient for construction of the Project, and (iii) the Plans and Specifications contain the detail necessary to permit a responsible and appropriately experienced contractor to undertake construction of the Project;

(f) that the Plans and Specifications are in substantial compliance with applicable statutes, codes ordinances, laws and regulations, as required under the Construction Contract;

(g) that, based on information furnished by _____ _____, the Plans and Specifications have been prepared so that the construction thereof will not encroach on any

recorded or visible easement nor violate any covenant, condition or restriction of record relating to the Facility;

(h) that the Construction Schedule is realistic and can be adhered to in completing the Project in accordance with the Plans and Specifications; and

(i) that, subject to force majeure, the Architect knows of no facts that would prohibit the Project from being completed and ready for occupancy within _____ months from the Closing Date.

Capitalized undefined terms used herein have the meaning ascribed thereto in the Disbursement Agreement.

Dated: [Date of Initial Disbursement]

[ARCHITECT]

By: _____
Name: _____
Title: _____

APPENDIX A
TO ARCHITECT'S CERTIFICATE

LIST OF PERMITS, LICENSES AND APPROVALS

Names	Issuing Agency	Date Issued

EXHIBIT C

FORM OF CONTRACTOR'S CERTIFICATE

BUILD NYC RESOURCE CORPORATION TAX-EXEMPT REVENUE BONDS (RICHMOND MEDICAL CENTER PROJECT) SERIES 2018A AND SERIES 2018B

CONTRACTOR'S CERTIFICATE

[_____], a _____ (the "Contractor"), hereby states and certifies as follows:

(a) that the undersigned is an authorized representative of the Contractor and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that this Contractor's Certificate is delivered pursuant to Section 4.03 of the Construction Disbursement and Monitoring Agreement, dated as of _____ 1, 2019 (the "Disbursement Agreement"), by and among Richmond Medical Center (d/b/a Richmond University Medical Center), U.S. Bank National Association, as Trustee, and Preston Hollow Capital, LLC;

(c) that the Architect prepared all of the Plans and Specifications, which are described on Schedule A attached hereto, and the Contractor is responsible therefor;

(d) that (i) the Plans and Specifications have been prepared with the care and skill ordinarily exercised by a professional rendering the same or similar services to those rendered by the Architect at the same time and place such services were rendered by the Architect, and (ii) the Plans and Specifications, as submitted to the Construction Monitor for review and approval, are sufficient for construction of the Project;

(e) that the Plans and Specifications comply with a reasonable interpretation of applicable published governmental statutes, ordinances, codes and regulations;

(f) that the improvements contemplated by the Plans and Specifications, if constructed in compliance therewith, will comply with applicable governmental statutes, ordinances, codes and regulations;

(g) that, based on information furnished by the Borrower, the Plans and Specifications have been prepared so that the construction of the improvements contemplated by the Plans and Specifications will not encroach on any recorded or visible easement nor violate any covenant, condition or restriction of record relating to the Facility;

(h) that (i) Schedule B attached hereto contains a list of all certificates, permits, licenses, consents, approvals and authorizations required for the construction of the improvements contemplated by the Plans and Specifications that have been issued or have been approved pending payment of certain impact fees, and (ii) such certificates, permits, licenses, consents, approvals and authorizations are in full force and effect; and

(i) that the Construction Schedule is realistic and can be adhered to in completing the Project in accordance with the Plans and Specifications.

Capitalized undefined terms used herein have the meaning ascribed thereto in the Disbursement Agreement.

Dated: [Date of Initial Disbursement]

[CONTRACTOR]

By: _____
Name: _____
Title: _____

SCHEDULE A
TO CONTRACTOR'S CERTIFICATE

DESCRIPTION OF PLANS AND SPECIFICATIONS AND ANY MODIFICATIONS

SCHEDULE B
TO CONTRACTOR'S CERTIFICATE

LIST OF PERMITS, LICENSES AND APPROVALS

Name	Issuing Agency	Date Issued

EXHIBIT D

[FORM OF CIVIL ENGINEER'S CERTIFICATE]

[if required, form to be provided by?]

EXHIBIT N

FORM OF
INDIVIDUAL PROJECT WORK COMPLETION CERTIFICATE OF INSTITUTION
AS REQUIRED BY SECTIONS 3.2(j) AND 8.14(i)
OF THE LOAN AGREEMENT

[Cogeneration Facility][Elevator][Emergency Department][Parking Lot]
[Operating Room] [Roof] Project Work

The undersigned, Authorized Representatives (as defined in the Loan Agreement referred to below) of Richmond Medical Center, a not-for-profit corporation organized and existing under the laws of the State of New York (the "Institution") HEREBY CERTIFY that this Certificate is being delivered in accordance with the provisions of Section 3.2(j) and 8.14(i) of that certain Loan Agreement, dated as of December 1, 2018 (the "Loan Agreement"), between Build NYC Resource Corporation (the "Issuer") and the Institution, and FURTHER CERTIFY THAT (capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Loan Agreement):

(i) [Cogeneration Facility] [Elevator] [Emergency Department] [Parking Lot] [Operating Room] [Roof] Project Work is finished and has been completed substantially in accordance with the plans and specifications therefor;

(ii) attached hereto is a copy of one of the following (check only one and attach a copy of the indicated document) (if applicable):

certificate of occupancy, or

temporary certificate of occupancy; or

not applicable;

(iii) there is no certificate, license, permit, written approval or consent or other document required to permit the occupancy, operation and use of such completed Project Work facility as part of the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature;

(iv) such completed Project Work facility is ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines;

(v) check as applicable:

all costs for such Project Work have been paid, or

all costs for such Project Work have been paid except for

- amounts not yet due and payable (attach itemized list) and/or

- amounts the payments for which are being contested in good faith (attach itemized list with explanations); and

(vi) waivers of mechanics' liens have been obtained from the general contractor and from all contractors and materialmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with the such Project Work, except for releases-of-liens pertinent to (y) amounts not yet due and payable, or (z) any amount the payment of which is being contested in good faith; copies of all such releases of mechanics' liens are attached hereto.

[ATTACH to this Certificate copies of all such releases of liens.]

Notwithstanding anything herein or elsewhere that may be inferred to the contrary, the undersigned hereby understands and agrees on behalf of the Institution as follows: (a) the Issuer does not waive its right to require delivery of releases-of-liens in connection with the costs of such Project Work; (b) the Issuer does not waive its right under the Loan Agreement to demand the discharge of mechanics' and materialmens' liens encumbering the Facility Realty, whether by bond or otherwise; and (c) the Certificate shall be deemed incomplete if, in the Issuer's sole discretion, the Institution has unreasonably failed to bond or otherwise discharge any liens in respect of the costs of such Project Work when payment for the same is due.

This Certificate is given without prejudice to any rights of the Institution against third parties existing on the date hereof or which may subsequently come into being and no Person other than the Issuer may benefit from this Certificate.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this _____ day of _____, _____.

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By:_____
Name:
Title:

EXHIBIT O

INSTITUTION'S EXISTING INDEBTEDNESS

Type	December 31, 2017 Balance
1. Capital Lease Obligations	$2,570,526
2. Equipment Leases	$1,874,310

EXHIBIT P

FORM OF ENVIRONMENTAL INDEMNITY AGREEMENT

ENVIRONMENTAL INDEMNITY AGREEMENT
(Relating to _____ Property)

THIS ENVIRONMENTAL INDEMNITY AGREEMENT (this "Agreement"), dated as of _____ 1, 2019, is executed by RICHMOND MEDICAL CENTER (DBA RICHMOND UNIVERSITY MEDICAL CENTER), a not-for-profit corporation organized and existing under the laws of the State of New York (the "Indemnitor"), for the benefit of U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee") under the Indenture of Trust dated as of December 1, 2018 (the "Indenture"), by and between Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York (the "Issuer"), and the Trustee, and PRESTON HOLLOW CAPITAL, LLC, a Delaware limited liability company ("PHC"), as the Bondholder Representative under the Indenture (the "Bondholder Representative").

RECITALS:

WHEREAS, the Issuer is issuing its up to $102,065,000 aggregate principal amount of Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018A Bonds (the "Series 2018A Bonds"), and its up to $30,000,000 aggregate principal amount of Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2018B Bonds (the "Series 2018B Bonds" and, together with the Series 2018A Bonds, the "Series 2018 Bonds") pursuant to the Indenture;

WHEREAS, pursuant to the Loan Agreement. dated as of December 1, 2018 (the "Loan Agreement"), by and between the Issuer and the Indemnitor, the Issuer is lending the proceeds of the Series 2018 Bonds to the Indemnitor for the purpose of financing and/or refinancing the project described in the Loan Agreement;

WHEREAS, as a material inducement for PHC to purchase the Bonds, the Indemnitor has agreed to execute and deliver this Agreement to and for the benefit of the Indemnified Parties; and

WHEREAS, the Indemnitor will directly or indirectly benefit from the issuance of the Series 2018 Bonds;

NOW, THEREFORE, as an inducement to the Trustee to enter into the Indenture, for PHC to purchase the Bonds, and the Issuer to enter into the Loan Agreement, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged. the Indemnitor hereby represents, warrants and agrees as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires (a) the terms defined in this Section shall for all purposes of this Agreement and of any certificate. opinion or other

document herein or therein mentioned have the meanings herein specified, and (b) capitalized undefined terms used herein shall have the meanings ascribed thereto in the Loan Agreement.

"Additional Payments" means the amounts, other than amounts to repay the Loan, payable by the Indemnitor pursuant to the Loan Agreement, including pursuant to Section 8.3 of the Loan Agreement.

"Approved Site Reviewer" has the meaning ascribed to such term in Section 3.06 hereof.

"Bondholder Representative" means PHC, and any successor thereto designated as the Bondholder Representative in accordance with the Indenture.

"Customary Complying Substances" means Hazardous Substances that are (a) customarily used in connection with the occupancy, use, operation or maintenance of the Property, including all medical substances used in accordance with applicable law, (b) in reasonably minimal amounts, taking into account the intended and proper use thereof, and properly containerized and labeled, and (c) stored, transported, disposed of and used in a manner that does not violate Environmental Laws.

"Environmental Laws" means any federal, state or local law, statute, ordinance, order, decree, code, directive, regulation, or the like, as well as under common law, any judicial or administrative orders, decrees or judgments thereunder, and any permits, approvals, licenses, registrations, filings and authorizations, in each case whether now or hereafter in effect, pertaining to pollution, protection or cleanup of the environment, health, industrial hygiene or the environmental conditions on, under or about the Property, including, but not limited to, the following, as now or hereafter amended: Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9601 *et seq.*; Resource, Conservation and Recovery Act ("RCRA"), 42 U.S.C. § 6901 *et seq.* as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Pub. L. 99-499, 100 Stat. 1613; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. § 2601 *et seq.*; Emergency Planning and Community Right to Know Act of 1986 ("EPCRA"), 42 U.S.C. § 11001 *et seq.*; Clean Water Act ("CWA"), 33 U.S.C. § 1251 *et seq.*; Clean Air Act ("CAA"), 42 U.S.C. § 7401 *et seq.*; Federal Water Pollution Control Act ("FWPCA"), 33 U.S.C. § 1251 *et seq.*; any corresponding state laws or ordinances and regulations, rules, guidelines or standards promulgated pursuant to such laws, statutes and regulations, as such statutes, regulations, rules, guidelines and standards are amended from time to time. The term "Environmental Laws" also includes, but is not limited to, any present or future federal state and local laws, statutes, ordinances, rules, regulations and the like, as well as common law, conditioning transfer of property upon a negative declaration or other approval of a Governmental Authority of the environmental condition of a property; or requiring notification or disclosure of releases of Hazardous Substances or other environmental conditions of a property to any Governmental Authority or other Person, whether or not in connection with transfer of title to or interest in property.

"Environmental Liens" has the meaning ascribed to such term in Section 3.07 hereof.

"Environmental Reports" means those certain environmental reports with respect to the Property described on Exhibit B attached hereto and made a part hereof.

"Event of Default" has the meaning provided in Section 4.01 hereof.

"Governmental Authority" means any federal, state, county, municipal or other governmental or regulatory authority, agency, board, body, commission, instrumentality, court or quasi-governmental authority with jurisdiction over the property or the Person in question.

"Hazardous Substances" means any substance, product, waste or other material whether solid, liquid or gas (excluding Customary Complying Substances), which is or becomes listed, regulated or addressed as being a toxic, hazardous, polluting or similarly harmful substance under any Environmental Law, including (but not limited to) (a) any substance included within the definition of "hazardous waste" pursuant to Section 1004 of RCRA, (b) any substance included within the definition of "hazardous substance" pursuant to Section 101 of CERCLA, (c) any substance included within the definition of "regulated substance", "hazardous substance", "waste" or "pollutant" (or other similar terms, without limitation) pursuant to any applicable state law or ordinance wherein the Property is located, (d) asbestos or asbestos containing materials in any form that are or could become friable, (e) polychlorinated biphenyls, (f) petroleum products, (g) underground storage tanks, whether empty, filled or partially filled with any substance, (h) any radioactive materials, urea formaldehyde foam insulation or radon, (i) mold and mold causing substances, and (j) any other chemical, material or substance, the exposure to which is prohibited, limited or regulated by any Governmental Authority on the basis that such chemical, material or substance is toxic, hazardous or harmful to human health or the environment.

"Hazardous Substances Contamination" means the contamination (whether presently existing or hereafter occurring) in violation of any Environmental Laws of the improvements, facilities, soil, groundwater, surface water, air or other elements on or of the Property by Hazardous Substances, or the contamination of the improvements, facilities, soil, groundwater, surface water, air or other elements on or of any other property by Hazardous Substances migrating or emanating from the Property, including the migration of vapors from contaminated soil or ground water from the Property into improvements (whether before or after the date of the Mortgage); provided, however, the use, storage or existence of any of the Customary Complying Substances shall not constitute a Hazardous Substances Contamination.

"Indemnified Parties" has the meaning ascribed to such term in Section 6.01 hereof.

"Indemnitor" means Richmond Medical Center, a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code, organized and existing under the laws of the State of New York, and its successors and assigns.

"Indenture" means the Indenture of Trust, dated as of December 1, 2018, by and between the Issuer and U.S. Bank National Association, as Trustee, as originally executed and as it may be amended, supplemented or otherwise modified from time to time by any Supplemental Indenture.

"Issuer" means Build NYC Resource Corporation, a local development corporation created pursuant to the Not for Profit Corporation Law of the State of New York at the direction of the Mayor of the City of New York, and its successors and assigns.

"Loan Agreement" means the Loan Agreement, dated as of December 1, 2018, by and between the Issuer and the Indemnitor, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"Loan Documents" means the Promissory Note, the Mortgage, the Loan Agreement, this Agreement and any and all other agreements, documents and instruments now or hereafter executed by the Indemnitor or any other Person in connection with the Loan or the performance and discharge of the obligations related hereto or thereto, together with any and all renewals, modifications, amendments, restatements, consolidations, substitutions, replacements, extensions and supplements hereof or thereof.

"O&M Plan" shall have the meaning ascribed to such term in Section 3.06 hereof.

"Person" means any corporation, limited liability company, limited liability partnership, general partnership, limited partnership, firm, association, joint venture, trust or any other association or legal entity, including any public or governmental body, quasi-governmental body, agency or instrumentality, as well as any natural person.

"PHC" means Preston Hollow Capital, LLC, a Delaware limited liability company, and its successors and assigns.

"Property" means _____ as described in Exhibit A attached hereto and made a part hereof, and all rights or interest therein or appertaining thereto, together with all structures, buildings, 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 3.2 of the Loan Agreement), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto.

"Remedial Work" means such corrective work and procedures as may be reasonably necessary or desirable in light of any Hazardous Substances Contamination or a violation by the Indemnitor or the Property of any Environmental Laws, all of which work, and procedures shall be undertaken in a manner consistent with the requirements of all Environmental Laws.

"Site Assessments" has the meaning ascribed to such term in Section 5.01 hereof.

"Supplemental Reports" has the meaning ascribed to such term in Section 3.06 hereof.

"Trustee" means U.S Bank National Association, as trustee under the Indenture, or any successor thereto as Trustee under the Indenture substituted in its place as provided in the Indenture.

Section 1.02. <u>Rule of Constructions</u>. (a) The terms defined herein expressed in the singular shall, unless the context otherwise indicates, include the plural and vice versa.

(b) The use herein of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

(c) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacements, substitutions or novation of, that document.

(d) Any term defined herein by reference to another document shall continue to have the meaning ascribed thereto whether or not such other document remains in effect.

(e) The use herein of the words "including" and "includes," and words of similar import, shall be deemed to be followed by the phrase "without limitation."

(f) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(g) All references herein to designated "Articles," "Sections," "Exhibits," "subsections," "paragraphs," "clauses," and other subdivisions are to the designated Articles, Sections, subsections, paragraphs, clauses, and other subdivisions of this Agreement.

(h) The words "hereof" (except when preceded by a specific Section or Article reference) "herein," "hereby," "hereunder," "hereinabove," "hereinafter," and other equivalent words and phrases used herein refer to this Agreement and not solely to the particular portion hereof in which any such word is used.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations and Warranties. The Indemnitor unconditionally represents and warrants to each Indemnified Party as follows:

(a) *No Hazardous Substances.* Except as may be disclosed in the Environmental Reports (i) the Property does not contain any Hazardous Substances other than Customary Complying Substances, and the Property is not affected by any Hazardous Substances Contamination, and (ii) neither the Indemnitor nor, to the Indemnitor's knowledge, any other Person, including any predecessor owner, tenant, licensee, occupant, user or operator of all or any portion of the Property, has ever undertaken, caused, permitted, authorized or suffered the presence, use, manufacture, handling, generation, transportation, storage, treatment, discharge, release, burial or disposal on, under, from or about the Property of any Hazardous Substances (other than Customary Complying Substances) or the transportation to or from the Property of any Hazardous Substances (other than Customary Complying Substances).

(b) *No Violation of Law* Except as may be disclosed in the Environmental Reports, the Property and the operations conducted thereon do not violate any Environmental Laws.

(c) *Permits and Licenses.* All notices, permits, licenses and similar authorizations, if any, required to be obtained or filed in connection with the ownership, operation or use of the Property, including the past or present generation, treatment, storage, disposal or release of any Hazardous Substances into the environment, have been duly obtained or filed.

(d) *Adjoining Property.* Except as may be disclosed in the Environmental Reports, to the Indemnitor's knowledge, no property adjoining the Property is or has ever been used for the disposal, storage, treatment, processing, manufacturing or other handling of Hazardous Substances in violation of any Environmental Laws, nor, to the Indemnitor's knowledge, is any other property adjoining the Property affected by Hazardous Substances Contamination.

(e) *No Right to Lien.* Neither the Indemnitor nor, to the Indemnitor's knowledge, any other Person, including any predecessor owner, tenant, licensee, occupant, user or operator, has ever undertaken, caused, permitted, authorized or suffered the presence, use, manufacture, handling, generation, transportation, storage, treatment, discharge, release, burial or disposal of any Hazardous Substances on, under, from or about any other real property, all or any portion of which is legally or beneficially owned (or any interest or estate therein which is owned) by the Indemnitor in any jurisdiction now or hereafter having in effect a so-called "superlien" law or ordinance or any part thereof, the effect of which law or ordinance would be to create a lien on the Property to secure any obligation in connection with the "superlien" law of such other jurisdiction.

(f) *No Investigations.* No inquiry, investigation, administrative order, consent order and agreement, litigation or settlement is proposed or in existence, or to the Indemnitor's knowledge, threatened or anticipated with respect to any allegations that there has been, there is currently or there is a threat of a presence, release, threat of release or placement of any Hazardous Substances on, under, from or about the Property, or the manufacture, handling, generation, transportation, storage, treatment, discharge, burial or disposal of any Hazardous Substances on, under, from or about the Property, or the transportation of any Hazardous Substances to or from the Property. The Indemnitor has not received any written notice, and has no actual or constructive knowledge, that any Governmental Authority or private third party has determined, or threatens to determine, or is investigating any allegations that there has been, there is currently or there is a threat of a presence, release, threat of release or placement of any Hazardous Substances on, under, from or about the Property, or the manufacture, handling, generation, transportation, storage, treatment, discharge, burial or disposal of any Hazardous Substances on, under, from or about the Property, or the transportation of any Hazardous Substances to or from the Property.

(g) *No Release, Etc.* The Indemnitor has taken all steps reasonably necessary to determine that no Hazardous Substances have been generated, placed, held, located (other than Customary Complying Substances) treated, or otherwise released on, under, from or about the Property.

(h) *No New Activity.* To the Indemnitor's knowledge, no activities or operations have occurred on or about the Property since the effective date of the applicable Environmental Report which, by virtue of the nature of such activity or operation, would impose a material possibility or concern that (i) a Hazardous Substances Contamination could have occurred on or about the Property since the date of the applicable Environmental Report, or (ii) a violation of Environmental Law could have occurred since the date of the applicable Environmental Report. To the Indemnitor's knowledge, the information and factual circumstances described in the Environmental Reports remain true, correct and complete in all material respects as of the date hereof.

ARTICLE III

COVENANTS

Section 3.01. No Hazardous Substances. The Indemnitor shall not use or store Hazardous Substances (other than Customary Complying Substances) in violation of any Environmental Laws or generate, manufacture, produce, release, discharge, treat or dispose of on, under, from or about the Property or transport to or from the Property any Hazardous Substances in violation of any Environmental Laws or knowingly allow any other Person to do so. Prior to any demolition, construction, renovation or any other activities at the Property which might, in any Indemnified Party's determination, disturb any suspect asbestos containing material or lead-based paint, the Indemnitor shall conduct an asbestos and/or lead-based paint survey, as applicable, in form and substance satisfactory to the Indemnified Parties or, if applicable, as specified in any Environmental Laws. If asbestos containing material or lead-based paint is discovered as a result of such survey(s), the Indemnitor shall comply with all Environmental Laws concerning the removal and disposal of such materials, including all worker protection practices and standards.

Section 3.02. Compliance with Environmental Laws. The Indemnitor shall keep and maintain the Property in compliance with and shall not cause or permit the Property to be in violation of, any Environmental Law. The Indemnitor shall use commercially reasonable efforts to ensure that uses and operations by all tenants or other users of the Property are in compliance in all material respects with all applicable Environmental Laws and permits issued pursuant thereto.

Section 3.03. Notice of Proceedings or Events. The Indemnitor shall give prompt written notice to each Indemnified Party of (a) any proceeding or inquiry by any Governmental Authority or nongovernmental entity or Person with respect to the presence of any Hazardous Substances on, under, from or about the Property, the migration thereof from or to other property or the disposal, storage or treatment of any Hazardous Substances generated or used on, under or about the Property, (b) all claims made or threatened by any third party against the Indemnitor or the Property or any other owner or operator, including a tenant or occupant, of the Property relating to any loss or injury resulting from any Hazardous Substances, (c) the Indemnitor's discovery of any Hazardous Substances Contamination on the Property or any current or historical circumstances relative to the Property of an environmental nature which could subject the Indemnitor or the Property to liability for damages or remediation pursuant to any Environmental Laws, and (d) the Indemnitor's discovery of any occurrence or condition on any real property

adjoining or in the vicinity of the Property that could cause the Property or any part thereof to be subject to any investigation or remediation pursuant to any Environmental Laws.

Section 3.04. Indemnified Parties' Rights. The Indemnitor shall permit the Indemnified Parties to join and participate in, as parties if each Indemnified Party so elects, any legal proceedings or actions initiated with respect to the Property in connection with any Environmental Laws or Hazardous Substances, and the Indemnitor shall pay all court costs and reasonable attorneys' fees and expenses incurred by each Indemnified Party in connection therewith.

Section 3.05. Remedial Work. The Indemnitor shall commence all Remedial Work within 30 days after written demand by any Indemnified Party for performance thereof (or such shorter period of time as may be required under any Environmental Laws) and thereafter diligently prosecute all such Remedial Work to completion in accordance with Environmental Laws. The Indemnitor's written proposal for any Remedial Work shall be provided to each Indemnified Party in advance for such Indemnified Party's review and approval which proposal shall include (i) the identity and biographical information with respect to any proposed contractor or engineer to be used with respect to such Remedial Work, (ii) a description of the measures to be undertaken as a part of such Remedial Work to insure that value is maintained with respect to the Property and that minimal disruption occurs as a result thereof to any existing tenants and occupants at the Property and to the ongoing revenue from the Property, and (iii) such other information as any Indemnified Party may request. Each Indemnified Party shall be provided a copy of all environmental reports prepared after discovery of the required Remedial Work immediately upon receipt thereof by the Indemnitor and shall be copied on all correspondence with any Governmental Authority regarding the Hazardous Substances Contamination and/or the Remedial Work. The Indemnitor shall provide each Indemnified Party with periodic written status reports with respect to any Remedial Work in form, detail and at a frequency reasonably acceptable to the Indemnified Parties. All costs and expenses of such Remedial Work shall be paid by the Indemnitor, including each Indemnified Party's reasonable attorneys' fees and expenses incurred in connection with monitoring or review of such Remedial Work. If the Indemnitor shall fail to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, such Remedial Work, any Indemnified Party may, but shall not be required to, cause such Remedial Work to be performed, and all reasonable costs and expenses thereof, or incurred in connection therewith, shall become Additional Payments payable under the Loan Agreement.

Section 3.06. Monitoring System. If the Indemnitor acquires knowledge or receives notice (which notice may be from an Indemnified Party) that there are Hazardous Substances (other than Customary Complying Substances) or Hazardous Substances Contamination affecting any of the Property, or if recommended by the Environmental Reports or any Site Assessment or other audit of the Property (including, without limitation, any assessment or audit performed after the date hereof), then the Indemnitor shall establish and maintain (at the Indemnitor's sole cost and expense) an operations and maintenance program (an "O&M Plan") to assure and monitor continued compliance with Environmental Laws and the exclusion of Hazardous Substances (other than Customary Complying Substances) from the Property and to address any asbestos-containing material or lead based paint that may now or in the future be detected at or on the Property. The O&M Plan shall include (a) annual reviews of such compliance by employees or agents of the Indemnitor who are familiar with the requirements of the Environmental Laws, and (b) at the request of an Indemnified Party no more than once each year, a Site Assessment by an

environmental consulting firm approved by the Indemnified Parties (an "Approved Site Reviewer") which shall allow reliance thereon by the Indemnified Parties. Without limiting the generality of the preceding sentence, the Indemnified Parties may require (i) periodic notices or reports to each Indemnified Party in form, substance and at such intervals as the Indemnified Parties may specify, (ii) an amendment to such O&M Plan to address changing circumstances, laws or other matters, (iii) at the Indemnitor's sole cost and expense, further supplemental examinations of the Property by an Approved Site Reviewer ("Supplemental Reports"), (iv) access to the Property by the Indemnified Parties, their agents or servicers, to review and assess the environmental condition of the Property and the Indemnitor's compliance with the O&M Plan, provided, that, all such review and assessment shall be conducted in a manner that reasonably minimizes interference with patient care at the Property, and (v) variation of the O&M Plan in response to any Site Assessment or Supplemental Report. The Indemnitor's failure to comply with the foregoing provisions of this Section within 30 days of notice from the Indemnified Parties shall, at the Indemnified Parties' option, constitute an Event of Default.

Section 3.07. Environmental Liens. The Indemnitor shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, whether or not due to any act or omission of the Indemnitor (the "Environmental Liens"); provided, however, that it shall not be a default under the Loan Documents if any such Environmental Liens are imposed and the Indemnitor either (a) commences to remove such Environmental Liens within 30 days after written notice thereof and thereafter diligently and expeditiously proceeds to remove the same, or (b) after notice to each Indemnified Party, contests by appropriate legal proceedings, promptly initiated and conducted in good faith and with due diligence, the imposition of such Environmental Liens, so long as (i) no Event of Default hereunder or as defined in the Loan Agreement has occurred and is continuing, (ii) such proceeding shall suspend the enforcement of such Environmental Liens, (iii) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost, and (iv) the Indemnitor shall have furnished such security as may be required in the proceeding, or as may be reasonably requested by the Indemnified Parties, to ensure the payment of any costs or expenses related to removal of the Environmental Lien or the prosecution of the legal proceedings, together with all interest or penalties thereon.

Section 3.08. Cooperation. The Indemnitor shall fully, expeditiously and reasonably cooperate in all activities pursuant to this Agreement, including, but not limited to, providing all relevant information and making knowledgeable persons available for interviews.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

Section 4.01. Events of Default. The term "Event of Default", as used herein, shall mean the occurrence at any time and from time to time, of any one or more of the following:

(a) if the Indemnitor acquires knowledge or receives notice (which notice may be from an Indemnified Party) that Hazardous Substances (other than Customary Complying Substances) exist, or Hazardous Substances Contamination exists, in, on, about or under any of the Property in violation of any Environmental

Laws, and the Indemnitor fails, within ten days after acquisition of such knowledge or of such notice (or such shorter period of time as may be required under any Environmental Law) (i) to notify the Indemnified Parties thereof in accordance with Sections 3.03 and 8.03 of this Agreement, and (ii) to commence within 30 days and thereafter diligently prosecute to completion any Remedial Work;

(b) if the Indemnitor violates or fails to comply with any covenant or agreement contained herein or any representation or warranty contained herein shall be false or misleading, or erroneous in any material respect; and

(c) the occurrence of an event of default under the Loan Agreement.

Section 4.02. Remedies. If an Event of Default shall occur and be continuing, the Indemnified Parties may, at the Indemnified Parties' sole election, exercise any or all of the following:

(a) declare all unpaid amounts under the Loan Agreement, including any unpaid portion of the Additional Payments, immediately due and payable, without further notice, presentment, protest, demand or action of any nature whatsoever (each of which is hereby expressly waived by the Indemnitor), whereupon the same shall become immediately due and payable; and

(b) exercise any and all other rights, remedies and recourses granted under the Loan Documents or as may be now or hereafter existing in equity or at law, by virtue of statute or otherwise, including actions for damages and specific performance.

ARTICLE V

SITE ASSESSMENTS

Section 5.01. Site Assessments. If any Indemnified Party shall ever have a reasonable basis to believe that there are Hazardous Substances (other than Customary Complying Substances) or Hazardous Substances Contamination affecting any of the Property in violation of any Environmental Laws, any Indemnified Party (by its officers, employees and agents) at any time and from time to time, either prior to or after the occurrence of an Event of Default, may contract for the services of an Approved Site Reviewer to perform environmental site assessments ("Site Assessments") on the Property for the purpose of determining whether there exists on the Property any environmental condition which could result in any liability, cost or expense to the owner, occupier or operator of such Property arising under any Environmental Law. The Site Assessments may be performed at any time or times, upon reasonable notice and under reasonable conditions established by the Indemnitor which do not impede the performance of the Site Assessments. The Approved Site Reviewers are hereby authorized to enter upon the Property for such purposes; provided, that, all such Site Assessments shall be conducted in a manner that reasonably minimizes interference with patient care at the Property. The Approved Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of any Hazardous Substances Contamination on the Property, and such

other tests on the Property as may be reasonably necessary to conduct the Site Assessments in the reasonable opinion of the Approved Site Reviewers. The Indemnitor will supply to the Approved Site Reviewers such historical and operational information regarding the Property as may be reasonably requested by the Approved Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Approved Site Reviewers appropriate personnel having knowledge of such matters. On request, the Indemnified Parties shall make the results of such Site Assessments fully available to the Indemnitor, which, prior to the occurrence of an Event of Default but not after, may at its election participate under reasonable procedures in the direction of such Site Assessments and the description of tasks of the Approved Site Reviewers. The reasonable cost of performing such Site Assessments shall be paid by the Indemnitor upon demand of the Indemnified Parties and any such obligations shall become Additional Payments payable under the Loan Agreement.

ARTICLE VI

INDEMNIFICATION

Section 6.01. Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, REGARDLESS OF WHETHER ANY SITE ASSESSMENTS ARE CONDUCTED HEREUNDER, THE INDEMNITOR SHALL PROTECT, INDEMNIFY AND HOLD HARMLESS EACH OF THE TRUSTEE AND THE BONDHOLDER REPRESENTATIVE AND ANY TRUSTEE ACTING ON THE TRUSTEE'S OR THE BONDHOLDER REPRESENTATIVE'S BEHALF AND THEIR RESPECTIVE PARENTS, SUBSIDIARIES, DIRECTORS, OFFICERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SUCCESSORS AND ASSIGNS (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL LOSS, DAMAGE, COSTS, EXPENSE, ACTION, CAUSES OF ACTION AND LIABILITY (INCLUDING COURT COSTS AND REASONABLE ATTORNEYS' FEES AND EXPENSES) DIRECTLY OR INDIRECTLY ARISING FROM OR ATTRIBUTABLE TO THE USE, GENERATION, MANUFACTURE, PRODUCTION, STORAGE, RELEASE, THREATENED RELEASE, DISCHARGE, DISPOSAL OR PRESENCE OF ANY HAZARDOUS SUBSTANCES IN, ON, UNDER, ABOUT OR FROM THE PROPERTY, WHETHER EXISTING OR NOT EXISTING AND WHETHER KNOWN OR UNKNOWN AT THE TIME OF THE EXECUTION HEREOF AND REGARDLESS OF WHETHER OR NOT CAUSED BY, OR WITHIN THE CONTROL OF THE INDEMNITOR, INCLUDING (A) DAMAGES FOR PERSONAL INJURY, OR INJURY TO THE PROPERTY, NEIGHBORING PROPERTIES OR NATURAL RESOURCES OCCURRING UPON OR OFF THE PROPERTY, FORESEEABLE OR UNFORESEEABLE, INCLUDING THE COST OF DEMOLITION AND REBUILDING OF ANY IMPROVEMENTS ON THE PROPERTY, INTEREST AND PENALTIES, (B) THE COSTS OF ANY REQUIRED OR NECESSARY ENVIRONMENTAL INVESTIGATION OR MONITORING, ANY REMEDIAL WORK, REPAIR, CLEANUP OR DETOXIFICATION OF THE PROPERTY AND ANY NEIGHBORING PROPERTIES, AND THE PREPARATION AND IMPLEMENTATION OF ANY CLOSURE, REMEDIAL OR OTHER REQUIRED PLANS INCLUDING COURT COSTS AND FEES AND EXPENSES INCURRED FOR ATTORNEYS, CONSULTANTS, CONTRACTORS, EXPERTS AND LABORATORIES, AND (C) LIABILITY TO ANY THIRD PERSON OR ANY GOVERNMENTAL AUTHORITY

TO INDEMNIFY SUCH PERSON OR GOVERNMENTAL AUTHORITY FOR COST EXPENDED IN CONNECTION WITH THE ITEMS REFERENCED IN CLAUSE (B) IMMEDIATELY ABOVE. THIS COVENANT AND THE INDEMNITY CONTAINED HEREIN SHALL (I) SURVIVE THE RELEASE OF THE LIEN OF THE MORTGAGE, OR THE EXTINGUISHMENT OF THE LIEN OF THE MORTGAGE BY FORECLOSURE OR ACTION IN LIEU THEREOF AND SHALL CONTINUE IN EFFECT SO LONG AS A VALID CLAIM MAY BE LAWFULLY ASSERTED AGAINST THE INDEMNIFIED PARTIES, AND (II) EXCLUDE ANY DAMAGES ATTRIBUTABLE TO HAZARDOUS SUBSTANCES FIRST INTRODUCED ONTO THE PROPERTY AFTER THE EXTINGUISHMENT OF THE LIEN OF THE MORTGAGE BY FORECLOSURE OR ACTION IN LIEU THEREOF (BUT ONLY TO THE EXTENT THAT SUCH HAZARDOUS SUBSTANCES WERE NOT INTRODUCED BY ANY ACT OR OMISSION OF THE INDEMNITOR OR ANY AFFILIATE OR AGENT OF THE INDEMNITOR) OR OTHERWISE DUE TO INDEMNIFIED PARTY'S OWN GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

Section 6.02. Indemnification Procedures. If any action shall be brought against any Indemnified Party based upon any of the matters for which the Indemnified Parties are indemnified hereunder, such Indemnified Party shall notify the Indemnitor in writing, and the Indemnitor shall promptly assume the defense thereof, including, without limitation, the employment of counsel acceptable to such Indemnified Party and the negotiation of any settlement; provided, however, that any failure of such Indemnified Party to notify the Indemnitor of such matter shall not impair or reduce the obligations of the Indemnitor thereunder. The Indemnified Parties shall have the right, at the expense of the Indemnitor to employ separate counsel in any such action and to participate in the defense thereof. If the Indemnitor shall fail to discharge or undertake to defend the Indemnified Parties against any claim, loss or liability for which the Indemnified Parties are indemnified hereunder, the Indemnified Parties may, at their sole option and election, defend or settle such claim, loss or liability. The liability of the Indemnitor to the Indemnified Parties hereunder shall be conclusively established by such settlement, provided such settlement is made in good faith, the amount of such liability to include both the settlement consideration and the costs and expenses, including, without limitation court costs and attorneys' fees and expenses, incurred by any Indemnified Party in effecting such settlement. The Indemnitor shall not, without the prior written consent of the Indemnified Parties (a) settle or compromise any action, suit, proceeding or claim or consent to the entry of any judgment that does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnified Parties of a full and complete written release of each Indemnified Party (in form, scope and substance satisfactory to such Indemnified Party in its sole discretion) from all liability in respect of such action, suit, proceeding or claim and a dismissal with prejudice of such action, suit, proceeding or claim, or (b) settle or compromise any action, suit, proceeding or claim in any manner that may adversely affect any Indemnified Party or obligate any Indemnified Party to pay any sum or perform any obligation as determined by such Indemnified Party in its sole discretion. All costs indemnified hereunder shall be immediately reimbursable to the Indemnified Parties when and as incurred and, in the event of any litigation, claim or other proceeding, without any requirement of waiting for the ultimate outcome of such litigation, claim or other proceedings, and the Indemnitor shall pay to the Indemnified Parties any and all costs within ten days after written notice from the Indemnified Parties itemizing the amounts thereof incurred to the date of such notice. In addition to any other remedy available

for the failure of the Indemnitor to periodically pay such amounts owing hereunder, such amounts, if not paid within said ten day period, shall bear interest at the Default Rate.

ARTICLE VII

INDEMNIFIED PARTY'S RIGHT TO REMOVE HAZARDOUS MATERIALS

Section 7.01. Indemnified Party's Right to Remove Hazardous Materials. The Indemnified Parties shall have the right but not the obligation, without in any way limiting the Indemnified Parties' other rights and remedies under the Loan Documents, to enter onto the Property, perform Remedial Work or to take such other actions as they deem reasonably necessary or advisable to clean up, remove, resolve or minimize the impact of or otherwise deal with, any Hazardous Substances or Hazardous Substances Contamination in, on, under, about or from the Property following receipt of any notice from any Person asserting the existence of any Hazardous Substances or Hazardous Substances Contamination pertaining to the Property or any part thereof which, if true, could result in an order, notice, suit, imposition of a lien on the Property or other action and/or which, in the Indemnified Parties' reasonable opinion, could jeopardize any Indemnified Party's security under the Loan Documents; provided, that, all such Remedial Work or such other action shall be conducted in a manner that reasonably minimizes interference with patient care at the Property; and provided, further, that the Indemnified Parties shall have no right to proceed with any of the rights granted to it in this Article until the Indemnified Parties have provided the Indemnitor with written notice of the Indemnified Parties' intent to take any of the actions described in this Article, and the Indemnitor fails to commence, within ten days (or such shorter period of time as may be required under any Environmental Law) following the Indemnitor's receipt of such notice, all Remedial Work or other action necessary to clean-up, remove or resolve any of the foregoing and diligently proceeds thereafter to complete the same. All reasonable costs and expenses paid or incurred by any Indemnified Party in the exercise of any such rights shall be Additional Payments payable under the Loan Agreement and shall be payable by the Indemnitor upon demand.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. No Exculpation. This Agreement shall not be subject to any exculpation, non-recourse or other limitation of liability provisions in the Loan Documents, and the Indemnitor acknowledges that the Indemnitor's obligations under this Agreement are unconditional, and are not limited by any such exculpation, non-recourse or similar limitation of liability provisions, if any, in the Loan Documents.

Section 8.02. Reimbursable Costs. Those costs, damages, liabilities, losses, claims, expenses (including court costs and reasonable attorneys' fees and expenses) for which any Indemnified Party is indemnified hereunder shall be reimbursable to such Indemnified Party after being paid by such Indemnified Party, and the Indemnitor shall pay such costs, expenses, damages, liabilities, losses, claims, expenses (including court costs and reasonable attorneys' fees and expenses) to such Indemnified Party within ten days after notice from the Indemnified Parties itemizing the amounts paid to the date of such notice. In addition to any remedy available for

failure to periodically pay such amounts. such amounts shall thereafter bear interest at the Default Rate. Payment by any Indemnified Party shall not be a condition precedent to the obligations of the Indemnitor under this Agreement.

Section 8.03. Notices. Any notice, communication, request or other documents or demand permitted or required hereunder shall be in writing and given in accordance with the provisions of the Loan Agreement. For purposes of such notices, the addresses of the parties shall be as follows:

Trustee:
U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Services

with a copy to

Paparone Law PLLC
30 Broad Street, 14th Floor, #1482
New York, New York 10004
Attention: Melissa E. Paparone, Esq.

Indemnitor:
Richmond Medical Center
(d/b/a Richmond University Medical Center)
355 Bard Avenue
Staten Island, New York 10310
Attention: Senior Vice President and Chief Financial Officer

with a copy to

Garfunkel Wild, P.C.
111 Great Neck Road, Suite 600
Great Neck, New York 11021
Attention: Andrew Schulson, Esq.

Bondholder Representative:
Preston Hollow Capital, LLC
1717 Main Street, Suite 3900
Dallas, Texas 75201
Attention: John Dinan, General Counsel

Section 8.04. Waiver of Acceptance. The Indemnitor waives any acceptance of this Agreement by the Indemnified Parties.

Section 8.05. No Waiver. The failure of any party to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy, shall not be deemed to be a waiver thereof nor give rise to any estoppel against such party, nor excuse any of the parties from their obligations hereunder. Any waiver of such right or remedy must be in writing and signed by the

party to be bound. This Agreement is subject to enforcement at law and/or equity, including actions for damages and/or specific performance.

Section 8.06. Time is of Essence. Time is of the essence in this Agreement with respect to all of the terms, conditions and covenants herein contained.

Section 8.07. Survival. This Agreement shall be deemed to be continuing in nature and shall remain in full force and effect and shall survive any exercise of any remedy by the Indemnified Parties under the Loan Documents, including foreclosure of the liens of the Loan Documents (or deed in lieu thereof), even if, as part of such foreclosure or deed in lieu of foreclosure, the Loan and Additional Payments due and payable under the Loan Agreement are paid and satisfied in full.

Section 8.08. Amendments; Assignments. (a) This Agreement may not be effectively amended, supplemented, modified, altered or terminated except by a written instrument signed by the parties hereto, and only as permitted in accordance with the terms of the Indenture.

(b) None of the Indemnitor or the Trustee Monitor may assign its rights or obligations under this Agreement without the prior written consent of the Bondholder Representative.

Section 8.09. Severability. If any provision of this Agreement shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 8.10. Governing Law; Consent to Jurisdiction and Waiver of Jury Trial. (a) This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

(a) Each party hereto irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of or related to this Agreement may be brought in the courts of record of the State in New York County or the United States District Court for the Southern District of New York, (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding, (iii) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts, and (iv) waives and relinquishes any rights it might otherwise have (A) to move to dismiss on grounds of *forum non conveniens*, (B) to remove to any federal court other than the United States District Court for the Southern District of New York, and (C) to move for a change of venue to a New York State Court outside New York County.

(b) Each party hereto hereby expressly waives all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or any matters whatsoever arising out of or in any way connected with this Agreement. The provisions of this Agreement relating to waiver of trial by jury shall survive the termination or expiration of this Agreement.

(c) The waivers made pursuant to this Section are irrevocable and unmodifiable, whether in writing or orally, and are applicable to any subsequent amendments, renewals,

supplements or modifications of this Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

Section 8.11. Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

RICHMOND MEDICAL CENTER (DBA RICHMOND UNIVERSITY MEDICAL CENTER)

By: _____
Name:
Title:

ACCEPTED AND AGREED:

U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

By: _____
Authorized Officer

PRESTON HOLLOW CAPITAL, LLC, AS BONDHOLDER REPRESENTATIVE

By: _____
Name:
Title:

EXHIBIT A

DESCRIPTION OF REAL PROPERTY

EXHIBIT B

DESCRIPTION OF ENVIRONMENTAL REPORTS

FIRST LOAN AGREEMENT AMENDMENT

Between

BUILD NYC RESOURCE CORPORATION,
a local development corporation created pursuant to the Not-for-Profit Corporation Law
of the State of New York at the direction of the Mayor of
The City of New York, having its principal office at One Liberty Plaza,
New York, New York 10006,
as "**Issuer**",

And

RICHMOND MEDICAL CENTER (D/B/A/ RICHMOND UNIVERSITY MEDICAL CENTER),
a not-for-profit corporation, organized and existing under the laws of the State of New York, having its
principal office at 355 Bard Avenue, Staten Island, New York 10310,
as, "**Institution**"

Dated as of June 1, 2022

relating to

Up to $31,160,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds
(Richmond Medical Center Project), Series 2022

TABLE OF CONTENTS

(This Table of Contents is not a part of this First Loan Agreement Amendment and is only for convenience of reference)

Page

ARTICLE I DEFINITIONS 3

Section 1.01. Definitions 3
Section 1.02. Construction 6

ARTICLE II REPRESENTATIONS 8

Section 2.01. Representations and Warranties by Issuer 8
Section 2.02. Representations and Warranties by the Institution 9

ARTICLE III THE series 2022 PROJECT; TITLE INSURANCE 13

Section 3.01. Agreement to Undertake Project 13
Section 3.02. Manner of Project Completion 13
Section 3.03. Title Insurance 15
Section 3.04. No Warranty of Condition or Suitability 15

ARTICLE IV ISSUANCE OF THE SERIES 2022 BONDS; PAYMENT PROVISIONS 17

Section 4.01. Issuance of the Series 2022 Bonds 17
Section 4.02. Interest Payments. 17

ARTICLE V PARTICULAR COVENANTS 18

Section 5.01. Construction Disbursement and Monitoring Agreement 18
Section 5.02. Guaranteed Maximum Price Contract and Certificate of Need 18
Section 5.03. Prevailing Wages for Construction.. 18

ARTICLE VI AMENDMENTS 19

Section 6.01. Consent of the Institution and the Issuer to Amendments Requiring Bondholder Representative Consent 19
Section 6.02. Amendments to the Original Loan Agreement Requiring Bondholder Representative Consent 19

ARTICLE VII MISCELLANEOUS 45

Section 7.01. Institution Approval of First Supplemental Indenture 45
Section 7.02. Mortgage Acknowledgement 45
Section 7.03. Recourse under this First Loan Agreement Amendment 45
Section 7.04. Binding Effect 45
Section 7.05. Severability 45
Section 7.06. Law Governing 45
Section 7.07. Waiver of Trial by Jury. 46
Section 7.08. Effective Date; Counterparts 46

Section 7.09. Loan Agreement to Remain In Effect 46
Section 7.10. Legal Counsel; Mutual Drafting 46
Section 7.11. Control by Bondholder Representative. 46
Section 7.12. Conflicts. 46

Exhibit 1 – Form of Promissory Note
Exhibit 2 – Description of the Series 2022 Facility Personalty
Exhibit 3 – Description of the Series 2022 Facility Realty
Exhibit 4 – Form of Series 2022 Project Completion Certificate
Exhibit 5 – Series 2022 Project Cost Budget
Exhibit 6 – Principals of Institution
Exhibit 7 – Authorized Representatives of the Institution
Exhibit 8 – Form of Construction Manager or General Contractor Certificate
Exhibit 9– Form of Architect's Certificate
Exhibit 10 – Form of Individual Project Work Completion Certificate
Exhibit 11 – Description and Dollar Value of Public Funds

FIRST LOAN AGREEMENT AMENDMENT

THIS FIRST LOAN AGREEMENT AMENDMENT dated as of the date set forth on the cover page hereof (this "**First Loan Agreement Amendment**"), by and between **BUILD NYC RESOURCE CORPORATION**, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at One Liberty Plaza, New York, New York 10006 (the "**Issuer**"), party of the first part, and **RICHMOND MEDICAL CENTER (D/B/A RICHMOND UNIVERSITY MEDICAL CENTER)**, a not-for-profit corporation exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"), organized and existing under the laws of the State of New York, having its principal office at 355 Bard Avenue, Staten Island, New York 10310 (the "**Institution**"), party of the second part.

W I T N E S S E T H:

WHEREAS, the Issuer and U.S. Bank National Association, as trustee (the "**Trustee**") have entered into an Indenture of Trust dated as of December 1, 2018 (the "**Original Indenture**"); and

WHEREAS, under the Original Indenture, the Issuer has previously authorized the issuance of its Series 2018 Bonds, the proceeds of which Series 2018 Bonds were loaned by the Issuer to the Institution pursuant to the Loan Agreement, dated as of December 1, 2018 (the "**Original Loan Agreement**"); and

WHEREAS, the Original Indenture permits Additional Bonds to be issued on a parity with the Series 2018 Bonds, subject to the satisfaction of certain conditions set forth in the Original Indenture and the Original Loan Agreement, including the condition that the Issuer and the Institution enter into an amendment to the Original Loan Agreement; and

WHEREAS, the Institution has requested that the Issuer issue its up to $31,160,000 Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022 (the "**Series 2022 Bonds**") under the Indenture; and

WHEREAS, the Issuer proposes to loan the proceeds from the sale of the Series 2022 Bonds to the Institution pursuant to the Loan Agreement, and the Institution proposes to use such proceeds and to pay a portion of the costs of the Series 2022 Project;

WHEREAS, contemporaneously with the execution of the this First Loan Agreement Amendment (i) the Issuer and the Trustee shall enter into the First Supplemental Indenture, dated as of June 1, 2022 (the "**First Supplemental Indenture**") in order to, among other things, secure on parity with the Series 2018 Bonds and all other Series of Additional Bonds, if any, issued under the Indenture without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by the Indenture, the principal, or Redemption Price of, Sinking Fund Installments for, and interest on the Series 2022 Bonds; and

WHEREAS, contemporaneously with the execution of this First Loan Agreement Amendment, the Institution will execute and deliver the Promissory Note substantially in the form set forth in Exhibit 1 – "Form of Promissory Note" to this First Loan Agreement Amendment in favor of the Issuer to evidence the obligations of the Institution under the Loan Agreement and to repay the Loan with respect to the Series 2022 Bonds; and

WHEREAS, the Institution has agreed in the Loan Agreement to make, or cause to be made, payments sufficient to pay when due the principal, or Redemption Price of, Sinking Fund Installments for, and interest on the Bonds.

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All capitalized words and phrases not otherwise defined herein shall have the meanings as assigned below to such words and phrases or assigned thereto in Appendix A – "Definitions of Certain Terms in the Indenture and the Loan Agreement" attached to the Original Loan Agreement, each as amended by this First Loan Agreement Amendment.

The following definitions shall be incorporated into and made a part of Appendix A – "Definitions of Certain Terms in the Indenture and the Loan Agreement" attached to the Original Loan Agreement and the Original Indenture.

Campus shall mean the Institution's campus located at 355 Bard Avenue, Staten Island New York, which is bounded by Bard Avenue on the west, Moody Place on the north, Kissel Avenue on the east and Castleton Avenue on the south.

Collateral Mortgaged Property shall mean the Series 2018 Collateral Mortgaged Property and the Series 2022 Collateral Mortgaged Property, as applicable.

Expansion and Renovation Project Work shall mean (i) hospital expansions, renovations and equipment to be located on the Institution's Campus, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Series 2022 Facility Personalty and any work required to install same.

First Amendment to Completion Guaranty shall mean the First Amendment to Completion Guaranty dated as of June 1, 2022, by the Institution for the benefit of the Trustee and the Bondholder Representative, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

First Amendment to Construction Disbursement and Monitoring Agreement shall mean the First Amendment to Construction Disbursement and Monitoring Agreement, dated as of June 1, 2022, by and among the Institution, the Trustee and Preston Hollow Capital, LLC, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

First Amendment to Environmental Indemnity Agreement shall mean the First Amendment to Environmental Indemnity Agreement, dated as of June 1, 2022, by the Institution for the benefit of the Trustee and the Bondholder Representative, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

First Loan Agreement Amendment shall have the meaning ascribed to it in the introductory paragraph to this First Loan Agreement Amendment.

First Supplemental Indenture shall have the meaning ascribed to it in the recitals to this First Loan Agreement Amendment.

Original Indenture shall have the meaning ascribed to it in the recitals to this First Loan Agreement Amendment.

Original Loan Agreement shall have the meaning ascribed to it in the recitals to this First Loan Agreement Amendment.

Series 2018 Collateral Mortgage shall mean the Collateral Mortgage and Security Agreement, dated as of June 1, 2022, from the Institution to the Trustee, for the benefit of the Holders of the Series 2018 Bonds, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture**.**

Series 2018 Collateral Mortgaged Property shall mean 657 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 475), 669 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 2), 800/812 Castleton Avenue, Staten Island, New York 10310 (Block 153, Lot 1 (f/k/a Lots 1, 6, 7, 8 and 11)) and 267P Kissel Avenue, Staten Island, New York 10310 (Block 101, Lot 20).

Series 2022 Agreement to Advance shall mean the Agreement to Advance, dated as of June 1, 2022, among the Institution, PHCC LLC (d/b/a Preston Hollow Community Capital), as the initial purchaser of the Series 2022 Bonds and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2022 Bonds shall have the meaning ascribed to it in the recitals to this First Loan Agreement Amendment.

Series 2022 Bonds Project Account shall mean the special trust account of the Project Fund so designated, established pursuant to Section 3.02 of the First Supplemental Indenture.

Series 2022 Building Loan Agreement shall mean the Building Loan Agreement, dated as of June 1, 2022, by and among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Loan Agreement and the Indenture.

Series 2022 Collateral Mortgage shall mean the Collateral Mortgage and Security Agreement, dated as of June 1, 2022, from the Institution to the Trustee, for the benefit of the Holders of the Series 2022 Bonds, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture**.**

Series 2022 Collateral Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1), 288 Kissel Avenue, Staten Island, New York 10310 (Block 102, Lot 262), 657 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 475), 669 Castleton Avenue, Staten Island, New York 10310 (Block 101, Lot 2), 800/812 Castleton Avenue, Staten Island, New York 10310 (Block 153, Lot 1 (f/k/a Lots 1, 6, 7, 8 and 11)) and 267P Kissel Avenue, Staten Island, New York 10310 (Block 101, Lot 20).

Series 2022 Completion Deadline shall mean**:**

(i) October 1, 2022 for the Expansion and Renovation Project Work; and

(ii) December 31, 2022 for the Surgical Suite Project Work.

Series 2022 Draw-Down Date shall mean the Closing Date and such subsequent dates on which a draw-down for the Series 2022 Bonds shall occur, provided, however, that (i) subsequent Series 2022 Draw-Down Dates shall not occur more frequently than once per calendar quarter, (ii) subsequent Series 2022 Draw-Down Dates must occur on the first day of a calendar month, (iii) no subsequent Series 2022

Draw-Down Date shall occur after June 1, 2023 and (iv) on each subsequent Series 2022 Draw-Down Date, the amount drawn shall not be less than $1,000,000 with respect to the Series 2022 Bonds.

Series 2022 Draw-Down Period shall mean the period from the Closing Date until the earlier to occur of (a) the Series 2022 Draw-Down Date on which the sum of (i) the aggregate amount of all Bond Proceeds Advances (as defined in the Series 2022 Agreement to Advance) (including the Initial Advance (as defined in the Series 2022 Agreement to Advance)), plus (ii) the aggregate amount of all original issue discount in respect of all Bond Proceeds Advances (including the Initial Advance), is equal to the Authorized Principal Amount, or (b) June 1, 2023.

Series 2022 Facility shall mean, collectively, the Series 2022 Facility Personalty and the Series 2022 Facility Realty.

Series 2022 Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Series 2022 Bonds for installation or use at the Series 2022 Facility Realty as part of the Series 2022 Project pursuant to Section 3.02 of the First Loan Agreement Amendment and described in Exhibit 2 – "Description of the Series 2022 Facility Personalty" attached to the First Supplemental Indenture and to the First Loan Agreement Amendment, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Series 2022 Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Series 2022 Facility Personalty and exclude all items of Series 2022 Facility Personalty so substituted for or replaced, and further exclude all items of Series 2022 Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

Series 2022 Facility Realty shall mean the parcels located at 355 Bard Avenue, Staten Island New York as described in Exhibit 3 – "Description of the Series 2022 Facility Realty" in the exhibits to the First Supplemental Indenture and to the First Loan Agreement Amendment (and shall include the parcels located at 737-741 Castleton Avenue, Staten Island, New York, to the extent such parcels are acquired and made subject to the Mortgage pursuant to Section 8.42 and Section 8.43 of the Loan Agreement), and all rights or interest therein or appertaining thereto, together with all structures, buildings, 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 3.02 of the First Loan Agreement Amendment), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto.

Series 2022 Final Project Cost Budget shall mean that certain budget of costs paid or incurred for the Series 2022 Project to be submitted by the Institution pursuant to Section 3.02(f) of the First Loan Agreement Amendment upon completion of the Series 2022 Project.

Series 2022 Mortgage shall mean, collectively, the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan), each dated as of June 1, 2022, and each from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Series 2022 Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1).

Series 2022 Project shall mean the financing of (a) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing

building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus; (b) other hospital expansions, renovations and equipment to be located on the Institution's Campus; (c) a debt service reserve fund; and (d) certain costs related to the issuance of the Series 2022 Bonds.

Series 2022 Project Completion Date shall mean the date by which all of the following conditions have been satisfied: (i) the Issuer shall have received a signed and complete certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit 4 – "Form of Series 2022 Project Completion Certificate" attached to this First Loan Agreement Amendment, together with all attachments required thereunder, (ii) the Series 2022 Project Work shall have been finished and shall have been completed substantially in accordance with the plans and specifications therefor, (iii) if required, the Issuer shall have received a copy of a certificate of occupancy, a temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection issued by the New York City Department of Buildings, from the Institution, (iv) there shall be no certificate, license, permit, authorization, written approval or consent or other document required to permit the occupancy, operation and use of the Series 2022 Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature, and (v) the Series 2022 Facility shall be ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines.

Series 2022 Project Cost Budget shall mean that certain budget for costs of the Series 2022 Project Work as set forth by the Institution in Exhibit 5 – "Series 2022 Project Cost Budget" attached to this First Loan Agreement Amendment.

Series 2022 Project Documents shall mean this First Loan Agreement Amendment, the First Supplemental Indenture, the Promissory Note related to the Series 2022 Bonds, the Tax Certificate related to the Series 2022 Bonds, the Series 2022 Mortgage, the Series 2022 Building Loan Agreement, the First Amendment to Environmental Indemnity Agreement, the First Amendment to Completion Guaranty, the First Amendment to Construction Disbursement and Monitoring Agreement, the Series 2022 Agreement to Advance, the Series 2018 Collateral Mortgage and the Series 2022 Collateral Mortgage.

Series 2022 Project Work shall mean, collectively or individually, as applicable, the Expansion and Renovation Project Work and/or the Surgical Suite Project Work.

Surgical Suite Project Work shall mean (i) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus, including the acquisition of building materials and fixtures, and (ii) the acquisition, whether by title or lease, of the Series 2022 Facility Personalty and any work required to install same.

Section 1.02. Construction. In this First Loan Agreement Amendment, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this First Loan Agreement Amendment, refer to this First Loan Agreement Amendment, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the Closing Date.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this First Loan Agreement Amendment, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this First Loan Agreement Amendment, nor shall they affect its meaning, construction or effect.

(e) Unless the context indicates otherwise, references to designated "Exhibits", "Articles", "Sections", "Subsections", "clauses" and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this First Loan Agreement Amendment.

(f) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(h) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein or herein).

(i) Any reference to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

[END OF ARTICLE I]

ARTICLE II

REPRESENTATIONS

Section 2.01. Representations and Warranties by Issuer. The Issuer makes the following representations and warranties:

(a) The Issuer is a local development corporation created pursuant to the Not for Profit Corporation Law of the State at the direction of the Mayor of the City, and is duly organized and validly existing under the laws of the State.

(b) Assuming the accuracy of representations made by the Institution, the Issuer is authorized and empowered to enter into the transactions contemplated by this First Loan Agreement Amendment and any other Project Documents to which the Issuer is a party and to carry out its obligations hereunder and thereunder and to issue and sell the Series 2022 Bonds.

(c) By proper action of its board of directors, the Issuer has duly authorized the execution and delivery of this First Loan Agreement Amendment and each of the other Series 2022 Project Documents to which the Issuer is a party.

(d) In order to finance a portion of the cost of the Series 2022 Project, the Issuer proposes to issue the Series 2022 Bonds in an amount up to the Authorized Principal Amount. The Series 2022 Bonds will mature, bear interest, be redeemable and have the other terms and provisions set forth in the Indenture.

(e) The Issuer is that not-for-profit local development corporation formed and existing on behalf of the City to act as a governmental issuer of tax-exempt and taxable bonds and notes for the purpose of providing financial assistance to not-for-profit institutions and manufacturing and industrial companies and other businesses.

(f) The Issuer has all requisite power, authority and legal right to execute and deliver the Series 2022 Project Documents to which it is a party and all other instruments and documents to be executed and delivered by the Issuer pursuant hereto and thereto and to perform its obligations under the Project Documents and all such other instruments and documents to which it is a party. All corporate action on the part of the Issuer which is required for the execution, delivery, performance and observance by the Issuer of the Series 2022 Project Documents and all such other instruments and documents to which it is a party has been duly authorized and effectively taken, and such execution, delivery, performance and observance by the Issuer do not contravene the Issuer's Organizational Documents or any applicable Legal Requirements or any contractual restriction binding on or affecting the Issuer.

(g) There is no action or proceeding before any court, governmental agency or arbitrator pending or, to the knowledge of the Issuer, threatened against the Issuer, which seeks (i) to restrain or enjoin the issuance or delivery of the Series 2022 Bonds, the pledge and grant of the Trust Estate or the collection of any revenues pledged under the Indenture, (ii) to contest or affect in any way the authority for the issuance of the Series 2022 Bonds or the validity of any of the Project Documents, or (iii) to contest in any way the existence or powers of the Issuer.

Section 2.02. Representations and Warranties by the Institution. The Institution makes the following representations and warranties:

(a) The Institution is a not-for-profit corporation, organized under the laws of the State, is validly existing, is duly qualified to do business and in good standing under the laws of the State, is not in violation of any provision of its Organizational Documents, has the requisite power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute and deliver this First Loan Agreement Amendment and each other Series 2022 Project Document to which it is or shall be a party and to perform its obligations under this First Loan Agreement Amendment and each other Project Document to which it is or shall be a party.

(b) This First Loan Agreement Amendment and the other Project Documents to which the Institution is a party (x) have been duly authorized by all necessary action on the part of the Institution, (y) have been duly executed and delivered by the Institution, and (z) constitute the legal, valid and binding obligations of the Institution, enforceable against the Institution in accordance with their respective terms.

(c) The execution and delivery of this First Loan Agreement Amendment and each other Series 2022 Project Document to which the Institution is or shall be a party and the performance of this First Loan Agreement Amendment and each other Project Document to which the Institution is or shall be a party and the consummation of the transactions herein and therein contemplated will not (x) violate any provision of law, any order of any court or agency of government, or any of the Organizational Documents of the Institution or any indenture, agreement or other instrument to which the Institution is a party or by which the Institution or any of their respective property is bound or to which the Institution or any of their respective property is subject, (y) be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or (z) result in the imposition of any Lien of any nature whatsoever other than Permitted Encumbrances.

(d) There is no action or proceeding pending or, to the best of the Institution's knowledge, after diligent inquiry, threatened, by or against the Institution by or before any court or administrative agency that would adversely affect the ability of the Institution to perform its obligations under the Loan Agreement or any other Project Document to which the Institution is or shall be a party.

(e) The financial assistance provided by the Issuer to the Institution as contemplated by the Loan Agreement is necessary to induce the Institution to proceed with the Series 2022 Project.

(f) Undertaking the Series 2022 Project is anticipated to serve the corporate public purposes of the Issuer by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State.

(g) The Facility will be the Approved Facility.

(h) Except as permitted by Section 8.9 of the Original Loan Agreement, no Person other than the Institution is or will be in use, occupancy or possession of any portion of the Facility.

(i) The Institution has obtained all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by it as of the Closing Date in connection with the execution and delivery of this First Loan Agreement Amendment and each other Series 2022 Project Document to which it shall be a party or in connection with the performance of its obligations under the

Loan Agreement and under each of the Project Documents, except such permits which will be issued for construction in due course.

(j) The Series 2022 Project will be designed, and the operation of the Series 2022 Facility will be, in compliance with all applicable Legal Requirements.

(k) The Institution is in compliance, and will continue to comply, with all applicable Legal Requirements relating to the Project, the Project Work, any future renovation or equipping of the Facility and the operation of the Facility.

(l) The Institution has delivered to the Issuer a true, correct and complete copy of the Environmental Audit.

(m) The Institution has not used Hazardous Materials on, from, or affecting the Facility in any manner that violates any applicable Legal Requirements governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and except as set forth in the Environmental Audit, to the best of the Institution's knowledge, no prior owner or occupant of the Facility has used Hazardous Materials on, from, or affecting the Facility in any manner that violates any applicable Legal Requirements.

(n) The Series 2022 Project Cost Budget attached as Exhibit 5 – "Series 2022 Project Cost Budget" represents a true, correct and complete budget as of the Closing Date of the proposed costs of the Series 2022 Project; the Estimated Project Cost is a fair and accurate estimate of the Series 2022 Project Cost as of the Closing Date. Expenses for supervision by the officers or employees of the Institution and expenses for work done by such officers or employees in connection with the Series 2022 Project will be included as a Project Cost only to the extent that such Persons were specifically employed for such particular purpose, the expenses do not exceed the actual cost thereof and are to be treated on the books of the Institution as a capital expenditure in conformity with GAAP. Any costs incurred with respect to that part of the Series 2022 Project paid from the proceeds of the sale of the Series 2022 Bonds shall be treated on the books of the Institution as capital expenditures in conformity with GAAP.

(o) The total cost of the Series 2022 Project Work being funded with the Series 2022 Bonds is not more than the Authorized Principal Amount. That portion of the Estimated Project Cost as shall not derive from the proceeds of the Series 2022 Bonds shall be provided from the proceeds of additional loans and other funds of the Institution. The amounts provided to the Institution from the proceeds of the Series 2022 Bonds, together with other moneys available to the Institution, are sufficient to pay all costs in connection with the completion of the Series 2022 Project.

(p) The Series 2022 Facility comprises one (1) complete tax lots and no portion of any single tax lot.

(q) The Fiscal Year is true and correct.

(r) None of the Institution, the Principals of the Institution, or any Person that is an Affiliate of the Institution:

(i) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the NYCIDA, the NYCEDC or the City, unless such default or breach has been waived in writing by the Issuer, the NYCIDA, the NYCEDC or the City, as the case may be;

(ii) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five (5) years;

(iii) has been convicted of a felony in the past ten (10) years;

(iv) has received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; or

(v) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is currently being contested with due diligence in proceedings in court or other appropriate forum.

(s) The Project Application Information was true, correct and complete as of the date submitted to the Issuer, and no event has occurred or failed to occur since such date of submission which would cause any of the Project Application Information to include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make such statements not misleading.

(t) The Principals of the Institution and their respective titles to the Institution, as set forth in Exhibit 6 – "Principals of the Institution" to this First Loan Agreement Amendment, are true, correct and complete as of the Closing Date.

(u) The Authorized Representatives of the Institution, as set forth in Exhibit 7 – "Authorized Representative of Institution" to this First Loan Agreement Amendment, are true, correct and complete as of the Closing Date.

(v) The information set forth in Exhibit O – "Institution's Existing Indebtedness" attached to the Original Loan Agreement is true, correct and complete as of the Closing Date.

(w) The representations, warranties, covenants and statements of expectation of the Institution set forth in the Tax Certificate related to the Series 2022 Bonds are by this reference incorporated in this First Loan Agreement Amendment as though fully set forth herein.

(x) The property included in the Series 2022 Project is either property of the character subject to the allowance for depreciation under Section 167 of the Code, or land.

(y) No part of the proceeds of the Series 2022 Bonds will be used to finance inventory or will be used for working capital, or will be used for any other property not constituting part of the Series 2022 Facility.

(z) The Institution has fee title in the Facility and has fee and leasehold title in the Collateral Mortgaged Property, as applicable, and has no present intention to sell, directly or indirectly, in whole or in part, its interest in the Facility or the Collateral Mortgaged Property.

(aa) The Institution is in compliance with the provisions of the Code and any applicable regulations thereunder necessary to maintain its exempt status under Section 501(a) of the Code.

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

(cc) The Institution is an organization described in Section 501(c)(3) of the Code and has received the IRS Determination Letter. The facts and circumstances which form the basis of the IRS Determination Letter continue substantially to exist as represented to the Internal Revenue Service. The IRS Determination Letter has not been modified, limited or revoked, and the Institution is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of the IRS Determination Letter.

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

[END OF ARTICLE II]

ARTICLE III

THE SERIES 2022 PROJECT; TITLE INSURANCE

Section 3.01. Agreement to Undertake Project.

(a) The Institution covenants and agrees to undertake and complete the Series 2022 Project Work in accordance with the Loan Agreement, including, without limitation:

1. effecting the Series 2022 Project Work,

2. making, executing, acknowledging and delivering any contracts, orders, receipts, writings and instructions with any other Persons, and in general doing all things which may be requisite or proper, all for the purposes of undertaking the Series 2022 Project Work,

3. paying all fees, costs and expenses incurred in the Series 2022 Project Work from funds made available therefor in accordance with or as contemplated by the Loan Agreement and the Indenture, and

(b) asking, demanding, suing for, levying, recovering and receiving all such sums of money, debts due and other demands whatsoever that may be due, owing and payable to the Institution under the terms of any contract, order, receipt or writing in connection with the Series 2022 Project Work and to enforce the provisions of any contract, agreement, obligation, bond or other performance security entered into or obtained in connection with the Series 2022 Project Work.

Section 3.02. Manner of Project Completion.

(a) The Institution will complete the Series 2022 Project Work, or cause the Series 2022 Project Work to be completed, by the Series 2022 Completion Deadline, in a first class workmanlike manner, free of defects in materials and workmanship (including latent defects); provided, however, the Institution may revise the scope of the Series 2022 Project Work, subject to the prior written consents of the Issuer and the Trustee (given at the direction of the Bondholder Representative) (which consents shall not be unreasonably withheld, delayed or conditioned).

(b) In undertaking the Series 2022 Project Work, the Institution shall take such action and institute such proceedings as shall be necessary to cause and require all contractors, manufacturers and suppliers to complete their agreements relating to the Series 2022 Project Work in accordance with the terms of the contracts therefor including the correction of any defective work. Upon request, the Institution will extend to the Issuer or the Trustee all vendors' warranties received by the Institution in connection with the Series 2022 Project, including any warranties given by contractors, manufacturers or service organizations who perform Series 2022 Project Work.

(c) Project Costs relating to the Series 2022 Bonds shall be paid from the Series 2022 Bonds Project Account of the Project Fund or other funds provided by the Institution including unrestricted grant funds and donations. In the event that moneys in the Series 2022 Bonds Project Account of the Project Fund are not sufficient to pay the costs necessary to complete the Series 2022 Project in full, the Institution shall pay that portion of such costs of the Series 2022 Project as may be in excess of the moneys therefor in the Series 2022 Bonds Project Account of the Project Fund and shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds (except from the proceeds of Additional Bonds which may be issued for that purpose), nor shall the Institution be entitled to any diminution of the loan payments payable or other payments to be made under

the Loan Agreement, under the Promissory Note or under any other Project Document. All expenses incurred by the Institution or the Issuer in connection with the performance of its obligations under this Section 3.02(c) shall be considered a Project Cost. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery, if recovered prior to the Series 2022 Project Completion Date, shall be deposited into the Series 2022 Bonds Project Account of the Project Fund and made available for payment of Project Costs related to the Series 2022 Bonds, or if recovered after such date of completion, be deposited, first, in the Redemption Account of the Bond Fund and applied towards the redemption of the Series 2022 Bonds.

(d) The Institution shall pay all costs, charges, fees, expenses or claims incurred in connection with the Series 2022 Project Work.

(e) The Institution will perform or cause to be performed the Series 2022 Project Work in accordance with all applicable Legal Requirements and with the conditions and requirements of all policies of insurance with respect to the Series 2022 Facility and the Series 2022 Project Work. Promptly upon finishing of the Series 2022 Project Work, the Institution will obtain or cause to be obtained all required permits, authorizations and licenses from appropriate authorities, if any be required, authorizing the occupancy, operation and use of the Series 2022 Facility as an Approved Facility and shall furnish copies of same to the Trustee immediately upon the receipt thereof and to the Issuer and the Bondholder Representative immediately upon demand therefor.

(f) Upon completion of the last Series 2022 Project Work, the Institution shall (y) deliver to the Issuer and the Bondholder Representative the Series 2022 Final Project Cost Budget, which budget will include a comparison with the Series 2022 Project Cost Budget, and indicate the source of funds (i.e., Bond proceeds, equity, etc.) for each cost item, and (z) evidence the completion of the Series 2022 Project and the occurrence of the Series 2022 Project Completion Date by delivering to the Issuer, the Trustee and the Bondholder Representative a certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit 4 – "Form of Series 2022 Project Completion Certificate" to this First Loan Agreement Amendment, together with all attachments required thereunder. To the extent that the Institution delivers a temporary certificate of occupancy with the certificate described in the immediately preceding sentence, the Institution shall deliver a permanent certificate of occupancy within two hundred seventy (270) days after the delivery of such temporary certificate of occupancy.

(g) Upon request by the Issuer, the Trustee or the Bondholder Representative, the Institution shall make available to the Issuer, the Trustee and the Bondholder Representative copies of any bills, invoices or other evidences of costs as shall have been incurred in the effectuation of the Series 2022 Project Work.

(h) In the event that the aggregate costs of the Series 2022 Project Work upon the completion thereof shall be significantly different from the estimated costs thereof set forth in the Series 2022 Project Cost Budget (i.e., more than a ten percent (10%) difference in either total Project Costs related to the Series 2022 Bonds or in major categories of Series 2022 Project Work cost), on request of the Issuer or the Bondholder Representative, the Institution shall provide evidence to the reasonable satisfaction of the Issuer as to the reason for such discrepancy, and that the scope of the Series 2022 Project Work as originally approved by the Issuer has not been modified in a material manner without the prior written consent of the Issuer.

(i) The Institution covenants that it (i) shall deliver or cause to be delivered to the Issuer forty-five (45) days prior to the commencement of each Series 2022 Project Work an executed original certificate from the Institution's construction manager or general contractor in substantially the

form attached hereto as Exhibit 8 – "Form of Construction Manager or General Contractor Certificate", and (ii) shall deliver or cause to be delivered to the Issuer forty-five (45) days prior to the commencement of each Series 2022 Project Work an executed original certificate from the Institution's architect in substantially the form attached hereto as Exhibit 9 – "Form of Architect's Certificate".

(j) Upon completion of a Series 2022 Project Work, the Institution shall deliver to the Issuer a certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit 10 – "Form of Individual Project Work Completion Certificate", together with all attachments required thereunder.

Section 3.03. Title Insurance. On or prior to the Closing Date, the Institution will obtain and deliver (u) to the Issuer and the Bondholder Representative a title report and/or bring down title report, as applicable, (in form and substance acceptable to the Issuer and the Bondholder Representative) reflecting all matters of record with respect to the Mortgaged Property, (v) to the Issuer and the Bondholder Representative a full set of municipal department search results showing only Permitted Encumbrances, (w) to the Trustee a mortgagee title insurance policy in an amount not less than the Authorized Principal Amount of the Series 2022 Bonds, insuring the Trustee's interest under the Series 2022 Mortgage as a holder of a mortgage lien on the Series 2022 Mortgaged Property, subject only to Permitted Encumbrances, (x) to the Trustee a mortgagee title insurance policy (in form and substance acceptable to the Issuer and the Bondholder Representative) in an amount not less than the Authorized Principal Amount of the Series 2022 Bonds, insuring the Trustee's interest under the Series 2022 Collateral Mortgage as a holder of a mortgage lien on the Series 2022 Collateral Mortgaged Property, subject only to Permitted Encumbrances, (y) to the Trustee a mortgagee title insurance policy (in form and substance acceptable to the Issuer and the Bondholder Representative), insuring the Trustee's interest under the Series 2018 Collateral Mortgage as a holder of a mortgage lien on the Series 2018 Collateral Mortgaged Property, subject only to Permitted Encumbrances, and (z) to the Issuer, the Trustee and the Bondholder Representative a current or updated survey of the Mortgaged Property, certified to the Trustee, the Issuer and the title company issuing such title insurance policy. The title insurance policy shall be subject only to Permitted Encumbrances and shall provide for, among other things, the following: (1) full coverage against mechanics' liens; (2) no exceptions other than those approved by the Trustee and the Bondholder Representative; (3) an undertaking by the title insurer to provide the notice of title continuation or endorsement; and (4) such other matters as the Trustee shall request. Any proceeds of such mortgagee title insurance shall be paid to the Trustee for deposit in the Renewal Fund and applied to remedy the applicable defect in title in respect of which such proceeds shall be derived (including the reimbursement to the Institution for any costs incurred by the Institution in remedying such defect in title). If not so capable of being applied or if a balance remains after such application, the amounts in the Renewal Fund shall be transferred by the Trustee, to the Redemption Account of the Bond Fund, and used to redeem an equivalent principal amount of the Bonds, on a pro rata basis, to the nearest integral multiple of Authorized Denominations as directed by the Institution.

Section 3.04. No Warranty of Condition or Suitability. THE ISSUER HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, FITNESS, DESIGN, OPERATION OR WORKMANSHIP OF ANY PART OF THE SERIES 2022 FACILITY, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE SERIES 2022 FACILITY, OR THE SUITABILITY OF THE SERIES 2022 FACILITY FOR THE PURPOSES OR NEEDS OF THE INSTITUTION OR THE EXTENT TO WHICH PROCEEDS DERIVED FROM THE SALE OF THE SERIES 2022 BONDS WILL BE SUFFICIENT TO PAY THE COST OF COMPLETION OF THE SERIES 2022 PROJECT. THE INSTITUTION ACKNOWLEDGES THAT THE ISSUER IS NOT THE MANUFACTURER OF THE SERIES 2022 FACILITY PERSONALTY NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN.

THE INSTITUTION IS SATISFIED THAT THE SERIES 2022 FACILITY IS SUITABLE AND FIT FOR PURPOSES OF THE INSTITUTION. THE ISSUER SHALL NOT BE LIABLE IN ANY MANNER WHATSOEVER TO THE INSTITUTION OR ANY OTHER PERSON FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND OR NATURE CAUSED, DIRECTLY OR INDIRECTLY, BY THE PROPERTY OF THE SERIES 2022 FACILITY OR THE USE OR MAINTENANCE THEREOF OR THE FAILURE OF OPERATION THEREOF, OR THE REPAIR, SERVICE OR ADJUSTMENT THEREOF, OR BY ANY DELAY OR FAILURE TO PROVIDE ANY SUCH MAINTENANCE, REPAIRS, SERVICE OR ADJUSTMENT, OR BY ANY INTERRUPTION OF SERVICE OR LOSS OF USE THEREOF OR FOR ANY LOSS OF BUSINESS HOWSOEVER CAUSED.

[END OF ARTICLE III]

ARTICLE IV

ISSUANCE OF THE SERIES 2022 BONDS; PAYMENT PROVISIONS

Section 4.01. Issuance of the Series 2022 Bonds. Subject to the satisfaction of the conditions to the issuance of the Series 2022 Bonds, the Issuer will sell and deliver the Series 2022 Bonds in amount up to the Authorized Principal Amount under and pursuant to the Bond Resolution and under and pursuant to the Indenture. The proceeds of sale of the Series 2022 Bonds shall be deposited and applied in accordance with the provisions of the First Supplemental Indenture.

Section 4.02. Interest Payments. In connection with the issuance of the Series 2022 Bonds, Section 4.3(a)(i) of the Original Loan Agreement as it relates to the Series 2022 Bonds is modified as follows:

(i) with respect to interest due and payable on the Series 2022 Bonds during the Series 2022 Draw-Down Period, on each Loan Payment Date an amount equal to the interest next becoming due on the Series 2022 Bonds on such immediately succeeding Interest Payment Date (after taking into account any amount on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Series 2022 Bonds on such next succeeding Interest Payment Date), (2) after the Series 2022 Draw-Down Period, on each Loan Payment Date an amount equal to the quotient obtained by dividing the amount of interest on the Series 2022 Bonds payable on the next Interest Payment Date (after taking into account any amount on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Bonds on such next succeeding Interest Payment Date) by the number of Loan Payment Dates between the last Interest Payment Date and the next Interest Payment Date, and (3) thereafter in an amount equal to one-sixth (1/6) of the amount of interest which will become due and payable on the Series 2022 Bonds on the next succeeding Interest Payment Date (after taking into account any amounts on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Series 2022 Bonds on such next succeeding Interest Payment Date); provided that in any event the aggregate amount so paid with respect to interest on the Series 2022 Bonds on or before the Loan Payment Date immediately preceding an Interest Payment Date shall be an amount sufficient to pay the interest next becoming due on the Series 2022 Bonds on such immediately succeeding Interest Payment Date; and

[END OF ARTICLE IV]

ARTICLE V

PARTICULAR COVENANTS

Section 5.01. Construction Disbursement and Monitoring Agreement. On August 1, 2019, the Institution entered into a Construction Disbursement and Monitoring Agreement with the Trustee and the Bondholder Representative. On or prior to the Closing Date, the Institution, the Trustee and the Bondholder Representative shall enter into the First Amendment to Construction Disbursement and Monitoring Agreement to include the Surgical Suite Project Work.

Section 5.02. Guaranteed Maximum Price Contract and Certificate of Need. The Institution has entered into guaranteed maximum price contracts incorporating by reference or otherwise the insurance requirements of Section 8.1 of the Original Loan Agreement pertaining to insurance during periods of construction and shall use reasonable efforts to obtain approval of a modification to the certificate of need approval for the Surgical Suite Project Work no later than six (6) months from the Closing Date and deliver copies of the same to the Issuer, the Trustee and the Bondholder Representative within ten (10) business days of receipt thereof.

Section 5.03. Prevailing Wages for Construction. Pursuant to Labor Law Section 224-a(8)(d), the Issuer hereby notifies the Institution that it is the intended recipient of "public funds" as such term is defined in Labor Law Section 224-a(2), in connection with the Series 2022 Project. The nature and dollar value of such public funds is set forth in Exhibit 11 – "Description and Dollar Value of Public Funds" to this First Loan Agreement Amendment. The Issuer has determined that such public funds are not excluded under Labor Law Section 224-a(3). The Institution is hereby further notified that the prevailing wage requirements set forth in Labor Law Section 224-a shall apply to each "covered project" as defined therein. In accordance with Labor Law Section 224-a(8)(a), if the Series 2022 Project is a "covered project" the Institution is required to certify under penalty of perjury within five days of commencement of construction work whether the Series 2022 Project is subject to the provisions of Labor Law Section 224-a through the use of a standard form developed by the Commissioner of the Department of Labor.

[END OF ARTICLE V]

ARTICLE VI

AMENDMENTS

Section 6.01. Consent of the Institution and the Issuer to Amendments Requiring Bondholder Representative Consent. Pursuant to Section 12.3 of the Original Loan Agreement and Section 13.03 of the Original Indenture, the Original Loan Agreement may be amended, changed, or modified, with the consent of the Bondholder Representative. Subject to the receipt by the Trustee, the Issuer and the Institution of the Bondholder Representative's written consent to the amendments set forth in Section 6.02 below, the Institution and the Issuer hereby consent to the amendments set forth in Section 6.02 below.

Section 6.02. Amendments to the Original Loan Agreement Requiring Bondholder Representative Consent. The Original Loan Agreement is amended as follows:

(a) Amendments to ARTICLE III.

1. Section 3.2(c) of the Original Loan Agreement is amended to add the following language at the end of the subsection:

> and applied towards the redemption of the applicable Series of Bonds.

2. Section 3.5(a)(ii) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> if such Existing Facility Property is not to be substituted or replaced by other property but is instead to be sold, scrapped, traded-in or otherwise disposed of in an arms'-length bona fide transaction for consideration, the Institution shall pay to the Trustee for deposit, in the Redemption Account of the Bond Fund and thereby cause a redemption of the Bonds, on a pro-rata basis, as directed by the Institution to be effected in an amount (to the nearest integral multiple of Authorized Denomination) equal to the amounts derived from such sale or scrapping, the trade-in value credit received or the proceeds received from such other disposition; provided that no such redemption shall be required when such amount received in connection with any removal or series of removals does not exceed, in the aggregate, $250,000.

3. The last sentence of Section 3.7 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> If not so capable of being applied or if a balance remains after such application, the amounts in the Renewal Fund shall be transferred by the Trustee, to the Redemption Account of the Bond Fund, and used to redeem an equivalent principal amount of the Bonds, on a pro rata basis, to the nearest integral multiple of Authorized Denominations as directed by the Institution.

(b) Amendments to ARTICLE IV.

1. Section 4.1 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> The Issuer agrees, upon the terms and conditions contained in this Agreement and the Indenture, to loan to the Institution on the respective Closing Date the proceeds from the sale of the respective Series of Bonds (each a "**Loan**" and collectively, the "**Loans**"). The Loans shall be made by depositing on the respective Closing Date and on each Draw-Down Date, with respect to the Series 2018 Bonds, and on each Series 2022 Draw-Down Date, with respect to the Series 2022 Bonds, thereafter the proceeds from the sale of such Series of Bonds into the applicable account of the Project Fund and into the applicable account of the Debt Service Reserve Fund, as applicable, in accordance with Section 4.01 of the Indenture (or the corresponding provisions of any Supplemental Indenture). Such proceeds shall be disbursed to or on behalf of the Institution as provided in Section 3.2(c) (or the corresponding provisions of any amendment to this Agreement) and Section 5.02 of the Indenture (or the corresponding provisions of any Supplemental Indenture).

2. Section 4.2 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> The Institution's obligation to repay the applicable Loan shall be evidenced by this Agreement and the respective Promissory Note. On the respective Closing Date, the Institution shall execute and deliver a Promissory Note related to the applicable Loan payable to the Issuer, and the Issuer will endorse such Promissory Note to the Trustee. The Institution acknowledges that the original principal amount payable under any Promissory Note may be more or less than the original principal amount of the applicable Loan as a result of such Series of Bonds being draw-down bonds or if such Series of Bonds are sold at a discount or at a premium, respectively, and agrees that repayment of the applicable Loan and the applicable Promissory Note will be made in accordance with Section 4.3.

3. Section 4.3 of the Original Loan Agreement is amended by replacing all references therein to "Initial Bonds" with "Bonds."

4. The first paragraph of Section 4.3(a) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> The Institution covenants to pay the Promissory Note and repay the Loans made pursuant to this Agreement by making loan payments which the Issuer agrees shall be paid in immediately available funds by the Institution directly to the Trustee on each Loan Payment Date (except as provided in Section 4.3(a)(ii), (iv), (v) and (vi) below which shall be paid on the respective due dates thereof or except as otherwise set forth in an amendment to this Agreement in connection with a Series of Additional Bonds) for deposit in the Bond Fund (except to the extent that amounts are on deposit in the Bond Fund and available therefor) in an amount equal to the sum of:

5. Section 4.3(a) of the Original Loan Agreement is amended to add a new subsection (vii) after subsection (vi) as follows:

> (vii) with respect to a Series of Additional Bonds, interest payments made pursuant to Section 4.3(a)(i) shall be set forth in an amendment to the Loan Agreement relating to such Series of Additional Bonds.

6. The fourth sentence of Section 4.3(c) of the Original Loan Agreement is amended by removing reference to the word "applicable" prior to "Redemption Account."

7. Section 4.3(e) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> (e) In the event Defaulted Interest (as defined in Section 2.02(g) of the Indenture or the corresponding provision of any Supplemental Indenture) shall become due on any Bond, the Institution shall notify the Trustee and the Bondholder Representative in writing of the amount of Defaulted Interest proposed to be paid on such Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with Section 2.02(g) of the Indenture or the corresponding provision of any Supplemental Indenture), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment.

8. The second sentence of Section 4.6 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> All amounts so advanced therefor by the Issuer, the Trustee or the Bondholder Representative shall become an additional obligation of the Institution to the Issuer, the Trustee and/or the Bondholder Representative, as the case may be, which amounts, together with interest thereon at the rate of twelve percent (12%) per annum, compounded daily, from the date advanced, the Institution will pay upon demand therefor by the Issuer, the Trustee or the Bondholder Representative, as applicable.

(c) Amendments to ARTICLE VI.

1. Section 6.1 of the Original Loan Agreement is amended by adding "and/or Collateral Mortgaged Property" after each reference to "Facility".

2. Section 6.2 of the Original Loan Agreement is amended by adding "and/or Collateral Mortgaged Property" after each reference to "Facility".

3. Section 6.3 of the Original Loan Agreement is amended by adding "and/or Collateral Mortgaged Property" after each reference to "Facility".

4. Section 6.4 of the Original Loan Agreement is amended by adding "and/or Collateral Mortgaged Property" after each reference to "Facility"; provided however that "and/or Collateral Mortgaged Property" shall not be added to the second reference to "Facility" in Section 6.4(a)(iv) of the Original Loan Agreement.

(d) Amendments to ARTICLE VII.

1. Section 7.1 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> On the respective Closing Date, the Issuer will endorse and assign the applicable Promissory Note to the Trustee.

2. Section 7.3 of the Original Loan Agreement is amended by replacing the reference to "the Initial Bonds" with "any Outstanding Bonds."

(e) Amendments to ARTICLE VIII.

1. The last sentence of Section 8.1(f)(i) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> If the Certificate in question evidences CGL, such Certificate shall name the Issuer and the Trustee as additional insureds in the following manner:
>
> *Build NYC Resource Corporation and U.S. Bank National Association, as Trustee, are each additional insureds on a primary and non-contributory basis. The referenced CGL is written on ISO Form CG-0001 without modification to the contractual liability, employer's liability or waiver-of-subrogation provisions thereof, and contains no endorsement limiting or excluding coverage for claims arising under New York Labor Law, covering the following premises: 355 Bard Avenue, Staten Island, New York 10310; 288 Kissel Avenue, Staten Island, New York 10310; 657 Castleton Avenue, Staten Island, New York 10310; 669 Castleton Avenue, Staten Island, New York 10310; 800/812 Castleton Avenue, Staten Island, New York 10310 and 267P Kissel Avenue, Staten Island, New York 10310.*

2. Section 8.4 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> The Institution covenants and agrees that, until the termination of this Agreement, including upon the completion of the Project or of any replacement, repair, restoration or reconstruction of the Facility pursuant to Article VI, it will cause Exhibit B – "Description of the Facility Personalty" (or any corresponding exhibit set forth in an amendment to the Loan Agreement), together with the "Description of the Facility Personalty" attached as part of the appendices to the Indenture, this Agreement and the Mortgage (or contained in any amendment or supplement to the Indenture, this Agreement or the Mortgage), to be an accurate and complete description of all current items of Facility Personalty. To this end, the Institution covenants and agrees that (x) no requisition shall be submitted to the Trustee for moneys from the Project Fund for the acquisition or installation of any item of Facility Personalty, (y) no item of Facility Personalty shall be substituted or replaced by a new item of machinery, equipment or other tangible personal property except pursuant to Section 3.5(a) or Article VI, and (z) no item of Facility Personalty shall be delivered and installed at the Facility Realty as part of the property comprising the Facility, unless in each case such item of machinery, equipment or other item of tangible personal property shall be

accurately and sufficiently described in Exhibit B – "Description of the Facility Personalty" (or any corresponding exhibit set forth in an amendment to this Agreement), together with the "Description of the Facility Personalty" in the appendices attached as part of the Indenture, this Agreement and the Mortgage (or contained in any amendment or supplement to the Indenture, this Agreement or the Mortgage), and the Institution shall from time to time prepare and deliver to the Issuer and the Trustee supplements to such appendices or exhibits in compliance with the foregoing. Such supplements shall be executed and delivered by the appropriate parties and, at the Trustee's request, duly recorded by the Institution, and, at the Trustee's request, additional financing statements with respect thereto shall be duly filed by the Institution.

3. Section 8.5 of the Original Loan Agreement is amended by replacing the reference therein to "Mayor Bill de Blasio" with "Mayor Eric Adams."

4. Section 8.6(a) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(a) On or before the Closing Date, the Institution shall provide to the Issuer, the Trustee and the Bondholder Representative a letter from the Environmental Auditor addressed to the Issuer, the Trustee and the Bondholder Representative, stating that the Issuer and the Trustee may rely upon the Environmental Audit as if it was prepared for the Issuer, the Trustee and the Bondholder Representative in the first instance.

5. Section 8.6(f) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(f) The parties hereto agree that the reference in Section 2.2(m) (or the corresponding provisions of any amendment to this Agreement) to the Environmental Audit is not intended, and should not be deemed to intend, to modify, qualify, reduce or diminish the Institution's obligations to carry out and perform all of the covenants stated throughout this Section 8.6 and in Section 8.2.

6. Section 8.10(a) of the Original Loan Agreement is amended to add "or leasehold title, as applicable," after the words "fee title".

7. The first sentence of Section 8.11(a) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(a) If any Lien is filed or asserted (including any Lien for the performance of any labor or services or the furnishing of materials), whether or not valid, against any property constituting a part of the Trust Estate, the Facility or any part thereof or the interest therein of the Institution or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents, or the interest of the Issuer or the Institution in any Security Document, other than Liens for Impositions not yet payable, Permitted Encumbrances, or Liens being contested as permitted by Section 8.11(b), the Institution forthwith upon receipt of notice of the filing, assertion, entry or issuance of such Lien (regardless of the source of such notice) shall give written notice thereof to the Issuer, the Trustee and the Bondholder

Representative and take all action (including the payment of money and/or the securing of a bond with respect to any such Lien) at its own cost and expense as may be necessary or appropriate to obtain the discharge in full of such Lien and to remove or nullify the basis therefor.

8. Section 8.12 of the Original Loan Agreement is amended by replacing all references therein to "Initial Bonds" with "Bonds."

9. The first sentence of Section 8.13 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> The Institution shall not create, permit or suffer to exist any Lien against (i) the Facility or any part thereof, or the interest of the Institution in the Facility, except for Permitted Encumbrances, (ii) the Trust Estate or any portion thereof, the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the Institution in any Security Document, or (iii) any collateral property pledged to the Trustee to secure the Bonds.

10. Section 8.14(g) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> (g) Promptly following completion of the Project, but no later than ten (10) Business Days following the receipt of any one of a certificate of occupancy or temporary certificate of occupancy, the Institution shall deliver to the Issuer and the Bondholder Representative the certificate as to Project completion in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate" (or in substantially the form set forth in any amendment to this Agreement), together with all attachments required thereunder.

11. Section 8.14(i) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> (i) Promptly following completion of a Project Work, but no later than ten (10) Business Days following the receipt of any one of a certificate of occupancy, temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection relating to such Project Work, the Institution shall deliver to the Issuer the certificate as to such Project Work completion in substantially the form set forth in Exhibit N – "Form of Individual Project Work Completion Certificate" (or in substantially the form set forth in any amendment to this Agreement), together with all attachments required thereunder.

12. Section 8.17(a) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> (a) The Institution shall pay when the same shall become due all taxes and assessments, general and specific, if any, levied and assessed upon or against any property constituting a part of the Trust Estate, the Facility Realty, any collateral property pledged to the Trustee to secure the Bonds, or any part thereof, or interest of the Institution in the Facility, or against any of the loan payments or other payments or other amounts payable hereunder, the Promissory Note or any

of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, and all water and sewer charges, special district charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities or other charges incurred in the occupancy, use, operation, maintenance or upkeep of the Facility Realty, all of which are herein called "**Impositions**". The Institution may pay any Imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance.

13. The first paragraph of Section 8.17(c) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(c) The Institution may at its sole cost and expense contest (after prior written notice to the Issuer, the Trustee and the Bondholder Representative), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition, if:

14. Section 8.21(b) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(b) not use more than five percent (5%) of the proceeds of any Series of the Bonds, less the percentage of such proceeds used for Costs of Issuance, or permit the same to be used, directly or indirectly, in any trade or business that constitutes an unrelated trade or business as defined in Section 513(a) of the Code or in any trade or business carried on by any Person or Persons who are not governmental units or Tax-Exempt Organizations.

15. The heading set forth in Section 8.26 of the Original Loan Agreement is amended to add "and the Bondholder Representative" at the end of such heading.

16. Section 8.26(c) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(c) In addition, upon twenty (20) days prior request by the Trustee or the Bondholder Representative, the Institution will execute, acknowledge and deliver to the Issuer, the Trustee and the Bondholder Representative a certificate of an Authorized Representative of the Institution either stating that to the knowledge of such Authorized Representative after due inquiry no default or breach exists hereunder or specifying each such default or breach of which such Authorized Representative has knowledge.

17. Section 8.32 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(a) The Institution covenants that for so long as the Bonds are Outstanding it shall comply with the Debt Service Coverage Ratio Requirement for each Semi-Annual Period.

(b) The Institution covenants that no later than forty-five (45) days after the end of each Semi-Annual Period, commencing with the Semi-Annual Period

ending June 30, 2022, it will deliver to the Bondholder Representative a Certificate of Authorized Representative of the Institution (a) setting forth the Debt Service Coverage Ratio for such Semi-Annual Period and the calculation of such Debt Service Coverage Ratio, together with such documentation as is required to confirm such calculation, and (b) certifying whether or not the Debt Service Coverage Ratio Requirement for such Semi-Annual Period has been met. The Institution shall provide such additional information as may be reasonably requested by the Bondholder Representative to confirm such Debt Service Coverage Ratio and whether such Debt Service Coverage Ratio has been met.

(c) If the Debt Service Coverage Ratio Requirement for any Semi-Annual Period is not met, the Institution shall immediately retain a Consultant, approved in writing by the Bondholder Representative, to submit a written report and make recommendations with respect to the rates, fees, and other charges relating to the Institution's operations and with respect to improvements or changes in the operations and scope of the services delivered by the Institution so as to permit the Institution to comply with the Debt Service Coverage Ratio Requirement for each subsequent Semi-Annual Period, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Institution. The Institution shall cause a copy of such report to be sent to Bondholder Representative at the same time it is sent to the Institution. The Institution shall follow the recommendations of the Consultant to the extent permitted by law. At least monthly, following the submission of its initial report, the Consultant shall submit to the Bondholder Representative progress report(s) indicating whether or not the recommendations contained in its initial report are being complied with. If the Institution continuously complies with the recommendations of the Consultant, failure to meet the Debt Service Coverage Ratio Requirement for any Semi-Annual Period covered by such recommendations will not constitute an Event of Default hereunder, except as provided in Section 9.1 hereof

18. Section 8.33 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(a) The Institution covenants that for so long as the Bonds are Outstanding it shall meet the Days Cash on Hand Requirement for each Semi-Annual Period.

(b) The Institution covenants that no later than forty-five (45) days after each Liquidity Testing Date, commencing with the Liquidity Testing Date of June 30, 2022, it will deliver to the Bondholder Representative a Certificate of an Authorized Representative of the Institution (a) setting forth the Days Cash on Hand for the Semi-Annual Period ending on such Liquidity Testing Date and the calculation of such Days Cash on Hand, together with such documentation as is required to confirm such calculation, and (b) certifying whether or not the Days Cash on Hand Requirement for such Semi-Annual Period has been met. The Institution shall provide such additional information as may be reasonably requested by the Bondholder Representative to confirm such Days Cash on Hand and whether such Days Cash on Hand Requirement has been met. The Institution shall not, without the Bondholder Representative's prior written consent, draw on any revolving loan agreement, line of credit or any other credit facility in order to satisfy the Days Cash on Hand Requirement for any Semi-Annual Period.

(c) If the Institution fails to meet the Days Cash on Hand Requirement for any Semi-Annual Period, the Institution shall immediately retain a Consultant, approved in writing by the Bondholder Representative, to make recommendations with respect to the rates, fees and other charges relating to the Institution's operations and with respect to improvements or changes in the operations and scope of the services delivered by the Institution so as to permit the Institution to comply with the Days Cash on Hand Requirement for each subsequent Semi-Annual Period. A copy of the Consultant's report and recommendations, if any, shall be filed by the Institution with Bondholder Representative within forty-five (45) days after the date such Consultant is retained. The Institution shall follow each recommendation of the Consultant applicable to it to the extent permitted by applicable law. At least monthly, following the submission of its initial report, the Consultant shall submit to Bondholder Representative progress report(s) indicating whether or not the recommendations contained in its initial report are being complied with. If the Institution continuously complies with the recommendations of the Consultant, failure to meet the Days Cash on Hand Requirement for any Semi-Annual Period covered by such recommendations will not constitute an Event of Default hereunder, except as provided in Section 9.1 hereof.

19. Section 8.35 of the Original Loan Agreement is deleted in its entirety and replaced with "Reserved."

20. Section 8.40 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(a) The Institution shall, within ninety (90) days of acquiring the property located at 737-741 Castleton Avenue, Staten Island, New York, grant to the Trustee to secure the Loans, mortgage liens (having terms in form and substance comparable to the terms of the Mortgage and approved by the Bondholder Representative) in, and security interests in its fee interest in 737-741 Castleton Avenue, Staten Island, New York.

(b) The Institution shall, within ninety (90) days of acquiring the property located at 737-741 Castleton Avenue, Staten Island, New York (i) enter into an Environmental Indemnity Agreement with regards to 737-741 Castleton Avenue, Staten Island, New York; and (ii) deliver to the Trustee, at the Institution's sole cost and expense, a revised mortgagee title insurance policy, approved by the Issuer, the Trustee and the Bondholder Representative, in an amount not less than the Authorized Principal Amount of the Bonds, insuring the Trustee's interest under the Mortgage as a holder of a mortgage lien on the Mortgaged Property (including 737-741 Castleton Avenue, Staten Island, New York), subject only to Permitted Encumbrances. Such revised title policy shall conform to the requirements set forth in Section 3.7 hereof (or the corresponding provisions of any amendment to this Agreement). Further any proceeds of such revised title policy shall be governed by Section 3.7 hereof (or the corresponding provisions of any amendment to this Agreement). In connection with clauses (i) and (ii) above, the Institution shall cause to be delivered an opinion of its counsel, addressed to the Trustee, the Issuer and the Bondholder Representative, in form and substance reasonably satisfactory to the Issuer and the Bondholder Representative.

21. Section 8.43 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> Within forty-five (45) days of acquiring the property located at 737-741 Castleton Avenue, Staten Island, New York, the Institution will obtain and deliver (i) to the Issuer and the Bondholder Representative a title report (in form and substance acceptable to the Issuer and the Bondholder Representative) reflecting all matters of record with respect to 737-741 Castleton Avenue, Staten Island, New York; (ii) to the Issuer and the Bondholder Representative a full set of municipal department search results showing only Permitted Encumbrances; (iii) to the Issuer, the Trustee and the Bondholder Representative a current or updated survey of 737-741 Castleton Avenue, Staten Island, New York, certified to the Trustee, the Issuer and the title company issuing the revised title insurance policy required by Section 8.40(b)(ii) hereof; and (iv) to the Trustee, the Issuer and the Bondholder Representative, a Phase I environmental report approved by the Bondholder Representative and the Issuer covering the 737-741 Castleton Avenue, Staten Island, New York property.

(f) Amendments to ARTICLE IX.

1. Section 9.1(l) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> (l) A Debt Service Coverage Ratio of less than 1.00 for any Semi-Annual Period.

2. Section 9.7 of the Original Loan Agreement is deleted in its entirety and replaced with the following:

> In the event the Institution should default under any of the provisions of this Agreement, and the Issuer or the Trustee or the Bondholder Representative should employ outside attorneys or other consultants or incur other expenses for the collection of loan payments or other amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Institution herein contained or contained in any other Security Document, the Institution agrees that it will on demand therefor pay to the Issuer or the Trustee, as the case may be, the reasonable fees and disbursements of such attorneys or other consultants and such other expenses so incurred.

3. The following Section 9.10 shall be added to the end of ARTICLE IX of the Original Loan Agreement:

> Section 9.10 **Issuer Approval of Certain Nonforeclosure Remedies**. Notwithstanding any other remedy or other action available under this Agreement or otherwise under any other Security Document or at law, no remedy or other action (whether exercised by the Trustee, the Bondholder Representative or the Holders of the Bonds) shall have the effect of (y) modifying or terminating this Agreement or the Indenture (other than a termination of the Indenture in connection with the retirement of all of the Outstanding Bonds in accordance with the discharge provisions of the Indenture) (a "**Security Document Action**") or (z) substituting for the Institution, a new Entity to either be a counterparty to

the Issuer under this Agreement or to use all or a portion of the Facility (a "**Substitute Entity**"), unless, in either case, all material facts relating to either any restructuring of the underlying indebtedness secured by the Mortgage (a "**Mortgage Restructuring**"), the Security Document Action and/or the Substitute Entity shall have been set forth in a writing delivered to the Issuer and the Bondholder Representative and (i) the Mortgage Restructuring, the Security Document Action and/or the Substitute Entity shall be approved in writing by the Issuer and the Bondholder Representative, such approval not to be unreasonably withheld or delayed (and which approval may, in the sole discretion of the Issuer, be subject to action by the Issuer's Board of Directors), and (ii) there shall be delivered to the Issuer, the Bondholder Representative and the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such Mortgage Restructuring, Security Document Action and/or Substitute Entity shall not cause the interest on any Outstanding tax-exempt Bonds to become subject to federal income taxation by reason of any such Mortgage Restructuring, Security Document Action and/or Substitute Entity. For the avoidance of doubt, no Issuer consent is required hereby for the commencement of a foreclosure action under the Mortgage. In connection with the retirement or surrender for cancellation of all of the Outstanding Bonds (other than as a result of the payment in full of all Outstanding Bonds), the Trustee hereby agrees to provide written notice to the Issuer of such retirement or cancellation promptly upon the earlier of (i) the Trustee's receipt of direction to effectuate such retirement or cancellation, and (ii) the Trustee's receipt of surrendered Bonds for cancellation, but in no event later than fourteen (14) Business Days after the occurrence of the event set forth in clause (i) or (ii).

(g) Amendments to ARTICLE XII.

1. The first sentence of Section 12.1 of the Original Loan Agreement is amended to delete the reference to "5.3".

2. Section 12.5(1) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(1) if to the Issuer, to

Build NYC Resource Corporation
One Liberty Plaza
New York, New York 10006
Attention: General Counsel
with a copy to

Build NYC Resource Corporation
One Liberty Plaza
New York, New York 10006
Attention: Executive Director

3. Section 12.11(b) of the Original Loan Agreement is deleted in its entirety and replaced with the following:

(b) Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the

Trustee, the Bond Registrar, the Institution, the Paying Agent, the Bondholder Representative and the Holders of the Bonds any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, the Bond Registrar, the Institution, the Paying Agent, the Bondholder Representative and the Holders of the Bonds.

(h) Amendments to Appendix A – "Definitions of Certain Terms in the Indenture and the Loan Agreement" of the Original Loan Agreement.

1. The definition of "Annual Evaluation Date" is deleted in its entirety.

2. The definition of "Authorized Denomination" is deleted in its entirety and replaced with the following:

Authorized Denomination shall mean $100,000 or any integral multiple of $5,000 in excess thereof; provided, however, that after the Bonds are rated investment grade or better by a Rating Agency, then, upon the Trustee receiving written notice of the occurrence of such event, the Authorized Denomination with respect to the Bonds shall be $5,000 or any integral multiple thereof.

3. The definition of "Authorized Principal Amount" is deleted in its entirety and replaced with the following:

Authorized Principal Amount shall mean, (i) in the case of the Series 2018A Bonds, up to $117,000,000, (ii) in the case of the Series 2018B Bonds, up to $42,600,000, (iii) in the case of the Series 2022 Bonds, up to $31,160,000, and (iv) in connection with a Series of Additional Bonds, as set forth in the Supplemental Indenture related to such Series of Additional Bonds.

4. The definition of "Authorized Representative" is deleted in its entirety and replaced with the following:

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C — "Authorized Representative of Institution" to the Loan Agreement (or in an exhibit to any amendment to the Loan Agreement), or any other officer or employee of the Institution who is authorized to perform specific duties hereunder or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of the Loan Agreement, the Indenture or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

5. The definition of "Available Reserves" is deleted in its entirety and replaced with the following:

> **Available Reserves** shall mean, for any Liquidity Testing Date, the fair market value of all unrestricted and liquid cash and investments of the Institution as of such Liquidity Testing Date, determined as set forth in a Certificate of Authorized Representative of the Institution, but excluding the amounts on deposit in any bond payment, debt service or similar fund pledged for the payment of principal or interest due on any Indebtedness, and in any event excluding amounts in a Debt Service Reserve Fund.

6. The definition of "Beneficial Owner" is deleted in its entirety and replaced with the following:

> **Beneficial Owner** shall mean, whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the Beneficial Owner of such Bond by the respective systems of DTC and each of the Participants of DTC. If at any time any or all of the Bonds are not held in the book-entry system, Beneficial Owner with respect to such Bond shall mean "Holder" for purposes of the Security Documents.

7. The definition of "Benefits" is deleted in its entirety.

8. The definition of "Bond Purchase Agreement" is deleted in its entirety.

9. The definition of "Bond Resolution" is deleted in its entirety and replaced with the following:

> **Bond Resolution** shall mean (i) in the case of the Series 2018 Bonds, the resolution of the Issuer adopted on November 7, 2018, authorizing the Series 2018 Project and the issuance of the Series 2018 Bonds, (ii) in the case of the Series 2022 Bonds, the resolution of the Issuer adopted on January 18, 2022, authorizing the Series 2022 Project and the issuance of the Series 2022 Bonds, and (iii) in the case of a Series of Additional Bonds, the resolution of the Issuer adopted in connection with the issuance of such Series of Additional Bonds.

10. The definition of "Bonds" is deleted in its entirety and replaced with the following:

> **Bonds** shall mean the Series 2018 Bonds, the Series 2022 Bonds and any Additional Bonds.

11. The definition of "Building Loan Agreement" is deleted in its entirety and replaced with the following:

> **Building Loan Agreement** shall mean the Series 2018 Building Loan Agreement, the Series 2022 Building Loan Agreement and any building loan agreement entered into in connection with a Series of Additional Bonds, as applicable.

12. The following definition is added in the proper alphabetical order:

Series 2018 Building Loan Agreement shall mean the Building Loan Agreement, dated as of December 1, 2018, by and among the Issuer, the Institution and the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Loan Agreement and the Indenture.

13. The definition of "Cash Available for Debt Service" is deleted in its entirety and replaced with the following:

Cash Available for Debt Service shall mean for any Semi-Annual Period the amount determined as the sum of net income, depreciation, amortization, interest expense and any other noncash expense for such Semi-Annual Period, all as determined for financial reporting purposes for such Semi-Annual Period in accordance with GAAP.

14. The definition of "Closing Date" is deleted in its entirety and replaced with the following:

Closing Date shall mean, with respect to a Series of Bonds, the date of delivery of such Series of Bonds by the Trustee, against payment therefor.

15. The following definition is added in the proper alphabetical order:

Collateral Mortgage shall mean the Series 2018 Collateral Mortgage and the Series 2022 Collateral Mortgage, as applicable.

16. The definition of "Completion Deadline" is deleted in its entirety and replaced with the following:

Completion Deadline shall mean the Series 2018 Completion Deadline, the Series 2022 Completion Deadline and any completion deadline set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

17. The following definition is added in the proper alphabetical order:

Series 2018 Completion Deadline shall mean:

(i) October 1, 2019 for the Parking Lot Project Work;
(ii) June 1, 2020 for the Operating Room Project Work;
(iii) August 1, 2020 for the Cogeneration Facility Project Work;
(iv) June 1, 2021 for the Elevator Project Work;
(v) July 1, 2021 for the Emergency Department Project Work; and
(vi) November 1, 2021 for the Roof Project Work.

18. The definition of "Conduct Representation" is deleted in its entirety and replaced with the following:

> **Conduct Representation** shall mean any representation by the Institution under Section 2.2(r) of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement), or by any other Person in any Required Disclosure Statement delivered to the Issuer.

19. The definition of "Costs of Issuance" is deleted in its entirety and replaced with the following:

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

20. The definition of "Days Cash-on-Hand" is deleted in its entirety and replaced with the following:

> **Days Cash on Hand** shall mean for any Semi-Annual Period, (a) the product of (i) the number of days in such Semi-Annual Period, and (ii) the Available Reserves as of the Liquidity Testing Date for such Semi-Annual Period, divided by (b) the sum of the following for such Semi-Annual Period: (i) Total Cash Operating Expenses of the Institution during such Semi-Annual Period, (ii) payments of interest on, and principal of, the Bonds during such Semi-Annual Period, and (iii) payments of interest on, and principal of, all other Indebtedness of the Institution during such Semi-Annual Period.

21. The definition of "Days Cash on Hand Requirement" is deleted in its entirety and replaced with the following:

> **Days Cash on Hand Requirement** shall mean: for each of the Fiscal Years ending December 31, 2018 - 2020, at least thirty (30) Days Cash on Hand as of each Liquidity Testing Date; for Fiscal Year ending December 31, 2021, at least thirty-five (35) Days Cash on Hand as of each Liquidity Testing Date for such Fiscal Year; for the Semi-Annual Periods ending June 30 and December 31, 2022, at least forty (40) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2023, at least forty-five (45) Days Cash on Hand; for

the Semi-Annual Periods ending June 30 and December 31, 2024, at least fifty (50) Days Cash on Hand; for the Semi-Annual Periods ending June 30 and December 31, 2025, at least fifty-five (55) Days Cash on Hand and for each Semi-Annual Period from the Semi-Annual Period ending June 30, 2026 through the date of final maturity of the Bonds (or earlier date of redemption of the last outstanding Bond), at least sixty (60) Days Cash on Hand.

22. The following definition is added in the proper alphabetical order:

Semi-Annual Period(s) means (a) the period commencing on January 1 of a Fiscal Year and ending on June 30 of such Fiscal Year, and (b) the period commencing on July 1 of a Fiscal Year and ending on December 31 of such Fiscal Year.

23. The definition of "Debt Service Coverage Ratio" is deleted in its entirety and replaced with the following:

Debt Service Coverage Ratio shall mean for a Semi-Annual Period, the ratio determined by dividing (i) a numerator equal to Cash Available for Debt Service during such Semi-Annual Period, by (ii) a denominator equal to the required payments during such Semi-Annual Period of principal of and interest on all Indebtedness of the Institution other than Short-Term Indebtedness incurred in accordance with Section 8.31(d) of the Loan Agreement (but including Capital Leases).

24. The definition of "Debt Service Coverage Ratio Requirement" is deleted in its entirety and replaced with the following:

Debt Service Coverage Ratio Requirement means for the Semi-Annual Period ending June 30, 2022, a Debt Service Coverage Ratio of at least 1.20:1 and for the Semi-Annual Period ending December 31, 2022 and for each Semi-Annual Period thereafter through the date of final maturity of the Bonds (or earlier date of redemption of the last outstanding Bond), a Debt Service Coverage Ratio of at least 1.30:1.

25. The definition of "Debt Service Reserve Requirement" is amended by deleting the "and" preceding "(iii)" and by adding the following new subsection (iii). The prior subsection (iii) is hereby renumbered as (iv).

(iii) with respect to the Series 2022 Bonds, as of any date of determination an amount equal to the lesser of: (A) ten percent (10%) of the aggregate issue price of the Outstanding Series 2022 Bonds; (B) the greatest amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on the Outstanding Series 2022 Bonds; or (C) one hundred twenty-five (125%) of the average annual amount required in the then current or any future Fiscal Year to pay the Debt Service Requirement on Outstanding Series 2022 Bonds; and

26. The definition of "Debt Service Reserve Fund Valuation Date" is deleted in its entirety and replaced with the following:

> **Debt Service Reserve Fund Valuation Date** shall mean the end of each Fiscal Year.

27. The definition of "Default Rate" is deleted in its entirety and replaced with the following:

> **Default Rate** shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (c) with respect to the Series 2022 Bonds, the lesser of (i) the rate of 11.50% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; and (d) with respect to a Series of Additional Bonds, such rate as set forth in a Supplemental Indenture with respect to such Series of Additional Bonds.

28. The definition of "Defaulted Interest" is deleted in its entirety and replaced with the following:

> **Defaulted Interest** shall have the meaning specified in Section 2.02(g) of the Indenture (or the corresponding provision of any Supplemental Indenture).

29. The definition of "Deposit Account Control Agreement" is deleted in its entirety.

30. The definition of "Depository Bank" is deleted in its entirety.

31. The definition of "Estimated Project Cost" is deleted in its entirety and replaced with the following:

> **Estimated Project Cost** shall mean (i) with respect to the Series 2018 Bonds, $87,249,037.11, and (ii) with respect to the Series 2022 Bonds, $36,108,095.

32. The definition of "Facility" is deleted in its entirety and replaced with the following:

> **Facility** shall mean, the Series 2018 Facility, the Series 2022 Facility and any facility set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

33. The following definition is added in the proper alphabetical order:

> **Series 2018 Facility** shall mean, collectively, the Series 2018 Facility Personalty and the Series 2018 Facility Realty.

34. The definition of "Facility Personalty" is deleted in its entirety and replaced with the following:

Facility Personalty shall mean, the Series 2018 Facility Personalty, the Series 2022 Facility Personalty and any facility personalty set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

35. The following definition is added in the proper alphabetical order:

Series 2018 Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Series 2018 Bonds for installation or use at the Series 2018 Facility Realty as part of the Series 2018 Project pursuant to Section 3.2 of the Loan Agreement and described in Exhibit B - "Description of the Facility Personalty" attached to the Indenture and to the Loan Agreement, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Series 2018 Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Series 2018 Facility Personalty and exclude all items of Series 2018 Facility Personalty so substituted for or replaced, and further exclude all items of Series 2018 Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

36. The definition of "Facility Realty" is deleted in its entirety and replaced with the following:

Facility Realty shall mean, the Series 2018 Facility Realty, the Series 2022 Facility Realty and any facility realty set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

37. The following definition is added in the proper alphabetical order:

Series 2018 Facility Realty shall mean the parcels located at 355 Bard Avenue, Staten Island, New York and 288 Kissel Avenue, Staten Island, New York as described in Exhibit A – "Description of the Facility Realty" in the appendices to the Indenture and to the Loan Agreement (and shall include the parcels located at 737-741 Castleton Avenue, Staten Island, New York, to the extent such parcels are acquired and made subject to the Mortgage pursuant to Section 8.42 and Section 8.43 of the Loan Agreement), and all rights or interest therein or appertaining thereto, together with all structures, buildings, 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 3.2 of the Loan Agreement), and all replacements, improvements, extensions, substitutions, restorations, repairs or additions thereto.

38. The definition of "Final Project Cost Budget" is deleted in its entirety and replaced with the following:

> **Final Project Cost Budget** shall mean the Series 2018 Final Project Cost Budget, the Series 2022 Final Project Cost Budget and any final project cost budget set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

39. The following definition is added in the proper alphabetical order:

> **Series 2018 Final Project Cost Budget** shall mean that certain budget of costs paid or incurred for the Series 2018 Project to be submitted by the Institution pursuant to Section 3.2(f) of the Loan Agreement upon completion of the Series 2018 Project.

40. The definition of "Fiscal Year End Date" is deleted in its entirety.

41. The definition of "Gross Revenues" is deleted in its entirety and replaced with the following:

> **Gross Revenues** shall mean all receipts, revenues, income and other moneys received by or on behalf of the Institution, including, but without limiting the generality of the foregoing, revenues derived from the ownership or operation of all real or personal property owned by the Institution including but not limited to the Facility, casualty insurance and condemnation proceeds (to the extent not transferred to the Renewal Fund pursuant to Section 6.2 of the Loan Agreement) with respect to all real or personal property owned by the Institution including but not limited to the Facility or any portion thereof, and all rights to receive the same (including amounts retained by Institution under Section 3.5(a) of the Loan Agreement), whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of such rights, and whether now owned or held or hereafter coming into existence; provided, however, that gifts, grants, bequests, donations and contributions heretofore or hereafter made and designated or specified by the granting authority, donor or maker thereof as being for specified purposes (other than payment of debt service on Indebtedness) and the income derived therefrom to the extent required by such designation or specification shall be excluded from Gross Revenues.

42. The definition of "Indemnification Commencement Date" is deleted in its entirety and replaced with the following:

> **Indemnification Commencement Date** shall mean (i) in the case of the Series 2018 Bonds, November 7, 2018, the date on which the Issuer first adopted a resolution with respect to the Series 2018 Project, (ii) in the case of the Series 2022 Bonds, January 18, 2022, the date on which the Issuer first adopted a resolution with respect to the Series 2022 Project, and (iii) in the case of a Series of Additional Bonds, the date on which the Issuer first adopts a resolution with respect to the project related to such Series of Additional Bonds.

43. The definition of "Initial Bondholder" is deleted in its entirety and replaced with the following:

> **Initial Bondholder** shall mean the Series 2018 Initial Bondholder, the Series 2022 Initial Bondholder or any initial bondholder set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

44. The following definition is added in the proper alphabetical order:

> **Series 2018 Initial Bondholder** shall mean Preston Hollow Capital, LLC.

45. The following definition is added in the proper alphabetical order:

> **Series 2022 Initial Bondholder** shall mean PHCC LLC (d/b/a Preston Hollow Community Capital).

46. The definition of "Institution Documents" is amended to delete reference to "the Deposit Account Control Agreement" and to add reference to the Series 2022 Agreement to Advance.

47. The following definition is added in the proper alphabetical order:

> **Interest Account** shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

48. The definition of "Interest Payment Date" is deleted in its entirety and replaced with the following:

> **Interest Payment Date** shall mean, (i) with respect to the Series 2018 Bonds, semi-annually on June 1 and December 1 of each year, commencing June 1, 2019; (ii) with respect to the Series 2022 Bonds (a) during the Series 2022 Draw-Down Period, monthly on the first calendar day of each month, commencing August 1, 2022 and (b) thereafter, semi-annually on June 1 and December 1 of each year; and (iii) with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

49. Section (v) of the definition of "Issuer's Reserved Rights" is deleted in its entirety and replaced with "Reserved".

50. The definition of "Letter of Representation and Indemnity Agreement" is deleted in its entirety and replaced with the following:

> **Letter of Representation and Indemnity Agreement** shall mean the Series 2018 Letter of Representation and Indemnity Agreement, the Series 2022 Letter of Representation and Indemnity Agreement and any letter of representation and indemnity agreement delivered in connection with a Series of Additional Bonds, as applicable.

51. The following definition is added in the proper alphabetical order:

Series 2018 Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Series 2018 Bonds.

52. The following definition is added in the proper alphabetical order:

Series 2022 Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Series 2022 Bonds.

53. The definition of "Liquidity Testing Date" is deleted in its entirety and replaced with the following:

Liquidity Testing Date shall mean (a) for each Semi-Annual Period ending June 30, such June 30, and (b) for each Semi-Annual Period ending on December 31, such December 31.

54. The definition of "Loan" is deleted in its entirety and replaced with the following:

Loan or **Loans** shall mean the loan(s) made by the Issuer to the Institution pursuant to the Loan Agreement as described in Section 4.1 of the Loan Agreement.

55. The definition of "Maturity Date" is deleted in its entirety and replaced with the following:

Maturity Date shall mean, with respect to a Series of Bonds, the date of final maturity of such Series of Bonds.

56. The definition of "Mortgage" is deleted in its entirety and replaced with the following:

Mortgage shall mean collectively, the Series 2018 Mortgage, the Series 2022 Mortgage, the Series 2018 Collateral Mortgage and the Series 2022 Collateral Mortgage, as applicable.

57. The following definition is added in the proper alphabetical order:

Series 2018 Mortgage shall mean, collectively, the Mortgage and Security Agreement (Building Loan) and the Mortgage and Security Agreement (Indirect Loan), each dated as of December 1, 2018, and each from the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

58. The definition of "Mortgaged Property" is deleted in its entirety and replaced with the following:

Mortgaged Property shall mean the Series 2018 Mortgaged Property, the Series 2022 Mortgaged Property, the Series 2018 Collateral Mortgaged Property and the Series 2022 Collateral Mortgaged Property, as applicable.

59. The following definition is added in the proper alphabetical order:

Series 2018 Mortgaged Property shall mean 355 Bard Avenue, Staten Island, New York 10310 (Block 102, Lot 1) and 288 Kissel Avenue, Staten Island, New York 10310 (Block 102, Lot 262).

60. The definition of "Operations Commencement Date" is deleted in its entirety.

61. Subsection (v) of the definition of "Permitted Encumbrances" is deleted in its entirety and replaced with the following:

(v) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement) insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee.

62. The following definition is added in the proper alphabetical order:

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

63. The definition of "Project" is deleted in its entirety and replaced with the following:

Project shall mean, the Series 2018 Project, the Series 2022 Project and any project set forth in an amendment to the Loan Agreement or a supplement to the Indenture related to a Series of Additional Bonds, as applicable.

64. The following definition is added in the proper alphabetical order:

Series 2018 Project shall mean the financing and/or refinancing of (a) the design, construction, furnishing, and equipping of a state-of-the-art Emergency Department ("ED") increasing the existing ED from 15,609 square feet to approximately 56,000 square feet and expanding the number of treatment rooms, which new building addition will be located at 355 Bard Avenue, Staten Island, New York, along Castleton Avenue and an internal campus roadway; (b) the design and construction of a new approximately 250 space parking lot located on an approximately 115,000 square foot vacant parcel of land located directly behind at 669 and 657 Castleton Avenue, Staten Island, New York; (c) the acquisition and installation of a cogeneration facility and associated equipment located within the Institution's boiler plant situated on the southeast portion of

the land located at 355 Bard Avenue, Staten Island, New York which will be used to provide electrical energy to the Institution; (d) the infrastructure improvements, including, but not limited to, elevator upgrades and roof repair and replacement, with respect to various buildings located at 355 Bard Avenue, Staten Island, New York; (e) the existing taxable loans that were used to finance certain psychiatric facilities and robotic surgery equipment at 355 Bard Avenue and the renovation, furnishing and equipping of an existing approximately 68,000 square foot residential building located on an approximately 82,000 square foot parcel of land located at 288 Kissel Avenue, Staten Island, New York, which is primarily used to provide, among other things, employee housing to interns and residents in Institution's physician graduate education program; (f) a debt service reserve fund; and (g) certain costs related to the issuance of the Series 2018 Bonds.

65. The definition of "Project Completion Date" is deleted in its entirety and replaced with the following:

Project Completion Date shall mean the Series 2018 Project Completion Date, the Series 2022 Project Completion Date and any project completion date set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

66. The following definition is added in the proper alphabetical order:

Series 2018 Project Completion Date shall mean the date by which all of the following conditions have been satisfied: (i) the Issuer shall have received a signed and complete certificate of an Authorized Representative of the Institution in substantially the form set forth in Exhibit G – "Form of Project Completion Certificate" attached to the Loan Agreement, together with all attachments required thereunder, (ii) the Series 2018 Project Work shall have been finished and shall have been completed substantially in accordance with the plans and specifications therefor, (iii) if required, the Issuer shall have received a copy of a certificate of occupancy, a temporary certificate of occupancy, an amended certificate of occupancy or a letter of no objection issued by the New York City Department of Buildings, from the Institution, (iv) there shall be no certificate, license, permit, authorization, written approval or consent or other document required to permit the occupancy, operation and use of the Series 2018 Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature, and (v) the Series 2018 Facility shall be ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines.

67. The definition of "Project Cost Budget" is deleted in its entirety and replaced with the following:

Project Cost Budget shall mean the Series 2018 Project Cost Budget, the Series 2022 Project Cost Budget, and any project cost budget set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

68. The following definition is added in the proper alphabetical order:

Series 2018 Project Cost Budget shall mean that certain budget for costs of the Series 2018 Project Work as set forth by the Institution in Exhibit E — "Project Cost Budget" attached to the Loan Agreement.

69. Section (vi) of the definition of "Project Costs" is deleted in its entirety and replaced with the following:

(vi) all costs of title insurance as provided in Section 3.7 of the Loan Agreement (or the corresponding provisions of any amendment to the Loan Agreement).

70. Section (vii) of the definition of "Project Costs" is deleted in its entirety and replaced with the following:

(vii) the payment of the Costs of Issuance with respect to the Bonds;

71. The definition of "Project Fee" is deleted in its entirety and replaced with the following:

Project Fee shall mean (i) in the case of the Series 2018 Bonds, $520,900, representing the $535,900 Issuer's financing fee, less the application fee of $15,000; (ii) in the case of the Series 2022 Bonds, $175,800, representing the $180,800 Issuer's financing fee, less the application fee of $5,000; and (iii) in the case of a Series of Additional Bonds, the project fee set forth in the amendment to the Loan Agreement related to such Series of Additional Bonds.

72. The definition of "Project Work" is deleted in its entirety and replaced with the following:

Project Work shall mean the Series 2018 Project Work, the Series 2022 Project Work and any project work set forth in an amendment to the Loan Agreement related to a Series of Additional Bonds, as applicable.

73. The following definition is added in the proper alphabetical order:

Series 2018 Project Work shall mean, collectively or individually, as applicable, the Cogeneration Facility Project Work, the Elevator Project Work, the Emergency Department Project Work, the Operating Room Project Work, the Parking Lot Project Work or the Roof Project Work.

74. The definition of "Rating Agency" is deleted in its entirety and replaced with the following:

Rating Agency shall mean any of S&P, Moody's, Fitch or Kroll and such other nationally recognized securities rating agency as shall have awarded a rating to the Bonds.

75. The definition of "Recapture Event" is deleted in its entirety.

76. The definition of "Recapture Period" is deleted in its entirety.

77. The definition of "Record Date" is deleted in its entirety and replaced with the following:

> **Record Date** shall mean, with respect to any Interest Payment Date for the Bonds, the close of business on the fifteenth (15th) day of the month next preceding such Interest Payment Date, or, if such day is not a Business Day, the next preceding Business Day.

78. The following definition is added in the proper alphabetical order:

> **Redemption Account** shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

79. The definition of "Security Documents" is amended to add the word "and" after "the Environmental Indemnity Agreement," and to delete reference to the "Deposit Account Control Agreement".

80. The following definition is added in the proper alphabetical order:

> **Series 2018 Bonds** shall mean collectively, the Series 2018A Bonds and the Series 2018B Bonds.

81. The following definition is added in the proper alphabetical order:

> **Sinking Fund Installment Account** shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

82. The definition of "Special Record Date" is deleted in its entirety and replaced with the following:

> **Special Record Date** shall have the meaning specified in Section 2.02(g) of the Indenture (or the corresponding provisions of any Supplemental Indenture).

83. The definition of "Tax Certificate" is deleted in its entirety and replaced with the following:

> **Tax Certificate** shall mean, with respect to a Series of Bonds, the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Code, of the Issuer and the Institution, together with all exhibits and schedules attached thereto, including, but not limited to, the Certificate of the Institution as to 501(c)(3) Status and as to Representations and Information Regarding Tax-Exempt Financing Matters, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

84. The definition of "Taxable Rate" is deleted in its entirety and replaced with the following:

> **Taxable Rate** shall mean (a) with respect to the Series 2018A Bonds, the lesser of (i) the rate of 10.625% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (b) with respect to the Series 2018B Bonds, the lesser of (i) the rate of 10.875% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; (c) with respect to the Series 2022 Bonds, the lesser of (i) the rate of 11.50% per annum (computed on the basis of a 360-day year of twelve 30-day months), or (ii) the maximum interest rate permitted by applicable law; and (d) with respect to a Series of Additional Bonds, such rate set forth in a Supplemental Indenture with respect to such Series of Additional Bonds.

(i) Amendments to Exhibits.

1. All references to the Issuer's address set forth in Exhibit J – "Form of LW Agreement" to the Original Loan Agreement shall be replaced with the following address:

One Liberty Plaza, New York, New York 10006

[END OF ARTICLE VI]

ARTICLE VII

MISCELLANEOUS

Section 7.01. Institution Approval of First Supplemental Indenture. A copy of the First Supplemental Indenture has been submitted to the Institution for its examination and review. By its execution of this First Loan Agreement Amendment, the Institution consents to the amendments contained in Article IV of the First Supplemental Indenture and acknowledges that it has approved, has agreed to and is bound by the provisions of the First Supplemental Indenture as incorporated herein. The Institution agrees that the Trustee, as assignee of the Issuer pursuant to the Indenture, shall be entitled to enforce and to benefit from the terms and conditions of the Promissory Note and of this First Loan Agreement Amendment that relate to it notwithstanding the fact that it is not a signatory to either.

Section 7.02. Mortgage Acknowledgement. It is acknowledged by the Borrower and the Issuer that regardless of the recording priority of the Mortgages, any proceeds of the Mortgages shall be applied pro rata among the Borrower's obligations under the Loan Agreement, as evidenced by the Promissory Note.

Section 7.03. Recourse under this First Loan Agreement Amendment. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this First Loan Agreement Amendment shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer, and not of any member, director, officer, employee or agent of the Issuer or any natural person executing this First Loan Agreement Amendment on behalf of the Issuer in such person's individual capacity, and no recourse shall be had for any reason whatsoever hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing this First Loan Agreement Amendment on behalf of the Issuer. No recourse shall be had for the payment of the principal of, redemption premium, if any, Sinking Fund Installments for, or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing the Bonds. In addition, in the performance of the agreements of the Issuer herein contained, any obligation the Issuer may incur for the payment of money shall not subject the Issuer to any pecuniary or other liability or create a debt of the State or the City, and neither the State nor the City shall be liable on any obligation so incurred and any such obligation shall be payable solely out of amounts payable to the Issuer by the Institution under the Loan Agreement and under the Promissory Note.

Section 7.04. Binding Effect. This First Loan Agreement Amendment shall inure to the benefit of the Issuer, the Trustee, the Bond Registrar, the Paying Agent, the Indemnified Parties and the Holders of the Bonds, and shall be binding upon the Issuer and the Institution and their respective successors and assigns.

Section 7.05. Severability. If any one or more of the provisions of this First Loan Agreement Amendment shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions hereof, but this First Loan Agreement Amendment shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 7.06. Law Governing. This First Loan Agreement Amendment shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 7.07. Waiver of Trial by Jury. The Institution does hereby expressly waive all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this First Loan Agreement Amendment or any matters whatsoever arising out of or in any way connected with this First Loan Agreement Amendment, the Institution's obligations hereunder, the Series 2022 Facility, the Series 2022 Project, the relationship between the Issuer and the Institution, the Institution's ownership, use or occupancy of the Series 2022 Facility and/or any claim for injury or damages.

The provision of this First Loan Agreement Amendment relating to waiver of a jury trial shall survive the termination or expiration of this First Loan Agreement Amendment.

Section 7.08. Effective Date; Counterparts. The date of this First Loan Agreement Amendment shall be for reference purposes only and shall not be construed to imply that this First Loan Agreement Amendment was executed on the date first above written. This First Loan Agreement Amendment was delivered on the Closing Date for the Series 2022 Bonds. This First Loan Agreement Amendment shall become effective upon its delivery on the Closing Date for the Series 2022 Bonds. 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 7.09. Loan Agreement to Remain In Effect. Save and except as supplemented by this First Loan Agreement Amendment, the Original Loan Agreement shall remain in full force and effect.

Section 7.10. Legal Counsel; Mutual Drafting. Each party acknowledges that this First Loan Agreement Amendment is a legally binding contract and that it was represented by legal counsel in connection with the drafting, negotiation and preparation of this First Loan Agreement Amendment. Each party acknowledges that it and its legal counsel has cooperated in the drafting, negotiation and preparation of this First Loan Agreement Amendment and agrees that this First Loan Agreement Amendment and any provision hereof shall be construed, interpreted and enforced without regard to any presumptions against the drafting party. Each party hereby agrees to waive any rule, doctrine or canon of law, including without limitation, the contra preferentum doctrine that would require interpretation of any ambiguities in this First Loan Agreement Amendment against the party that has drafted it.

Section 7.11. Control by Bondholder Representative. Notwithstanding any other provision to the contrary, any discretionary action on the part of the Trustee contained herein or in any Project Document, including, without limitation, any consent or waiver hereunder or thereunder, shall require the prior written consent of the Bondholder Representative, and the Trustee hereby agrees to take such action, or refrain from taking such action, upon the written direction of the Bondholder Representative. If the Trustee fails to take any such action within fifteen (15) days after the written direction of the Bondholder Representative to take such action, the Bondholder Representative may, but need not, take such action. Notwithstanding the foregoing, the Trustee shall not be required to take any such action at the direction of the Bondholder Representative unless the Bondholder Representative provides indemnification to the Trustee as provided in Section 9.02 of the Indenture.

Section 7.12. Conflicts. In the event of a conflict between the Original Loan Agreement and this First Loan Agreement Amendment, this First Loan Agreement Amendment shall be controlling.

[END OF ARTICLE VII]

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Issuer has caused its corporate name to be subscribed unto this First Loan Agreement Amendment by its duly authorized Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and the Institution has caused its respective name to be hereunto subscribed by their respective duly Authorized Representatives, all being done as of the year and day first above written.

BUILD NYC RESOURCE CORPORATION

By:_____
Name: Emily Marcus
Title: Executive Director

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

On the _____ day of June, in the year 2022, before me, the undersigned, personally appeared Emily Marcus, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By:_____
Name: David S. Murray
Title: Senior Vice President and
Chief Financial Officer

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

On the ____ day of June, in the year 2022, before me, the undersigned, personally appeared David S. Murray, personally known to me or proved to me on the basis of satisfactory evidence to me the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT 1

FORM OF PROMISSORY NOTE

AFTER THE ENDORSEMENT AS HEREON PROVIDED AND PLEDGE OF THIS PROMISSORY NOTE, THIS PROMISSORY NOTE MAY NOT BE ASSIGNED, PLEDGED, ENDORSED OR OTHERWISE TRANSFERRED EXCEPT TO AN ASSIGNEE OR SUCCESSOR OF THE TRUSTEE IN ACCORDANCE WITH THE INDENTURE, BOTH OF WHICH ARE REFERRED TO HEREIN.

Up to $31,160,000 June 30, 2022

PROMISSORY NOTE

FOR VALUE RECEIVED, RICHMOND MEDICAL CENTER, D/B/A RICHMOND MEDICAL CENTER, a not-for-profit corporation organized and existing under the laws of the State of New York (the "**Institution**"), by this promissory note hereby promises to pay to the order of BUILD NYC RESOURCE CORPORATION (the "**Issuer**"), the principal sum of up to Thirty One Million One Hundred Sixty Thousand Dollars ($31,160,000), together with interest on the unpaid principal amount hereof, from the date of the issuance and delivery of the Series 2022 Bonds (as such term is hereinafter defined) until paid in full, at a rate per annum equal to the rate of interest borne from time to time by the Series 2022 Bonds, together with all Sinking Fund Installments and Redemption Price payments as and when due. All capitalized terms used but not defined in this Promissory Note shall have the respective meanings assigned such terms by the Indenture (as hereinafter defined) or by the Loan Agreement (as hereinafter defined). All such payments shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States of America and shall be paid at the designated corporate trust office of the Trustee or its successor under the Indenture.

The principal amount, interest, Sinking Fund Installments and Redemption Price shall be payable on the dates and in the amounts that principal of, interest, Sinking Fund Installments and Redemption Price on the Series 2022 Bonds are payable under the Loan Agreement, subject to prepayments and credits to the extent provided in the Indenture and the Loan Agreement.

This promissory note is a "Promissory Note" referred to in the Loan Agreement, dated as of December 1, 2018, as amended and supplemented by the First Loan Agreement Amendment, dated as of June 1, 2022 (as the same may be further amended or supplemented, the "**Loan Agreement**"), each between the Institution and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Promissory Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to U.S. Bank National Association, as the trustee (the "**Trustee**") under the Indenture of Trust, dated as of December 1, 2018, as amended and supplemented by the First Supplemental Indenture of Trust, dated as of June 1, 2022 (as the same may be further amended or supplemented, the "**Indenture**"), each by and between the Issuer and the Trustee, and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. Such assignment is made as security for the payment of the Issuer's up to $31,160,000 in aggregate principal amount of Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022 (the "**Series 2022 Bonds**"), issued by the Issuer pursuant to the Indenture. All the terms, conditions and provisions of the Indenture, the Loan Agreement and the Series 2022 Bonds are hereby incorporated as a part of this Promissory Note.

The Institution may at its option, and may under certain circumstances be required to, prepay together with accrued interest, all or any part of the amounts due under this Promissory Note, as provided in the Loan Agreement and the Indenture.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Institution.

The Institution hereby promises to pay costs of collection and attorneys' fees in case of default on this Promissory Note.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles thereof.

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By:_____
Name: David S. Murray
Title: Senior Vice President and
Chief Financial Officer

ENDORSEMENT

Pay to the order of U.S. BANK NATIONAL ASSOCIATION, without recourse, as Trustee under the Indenture referred to in the within mentioned Loan Agreement, as security for the Series 2022 Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Promissory Note.

BUILD NYC RESOURCE CORPORATION

By:_____
Name: Emily Marcus
Title: Executive Director

Dated: June 30, 2022

.

EXHIBIT 2

DESCRIPTION OF THE SERIES 2022 FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation and/or use at the Series 2022 Facility financed with the proceeds of the Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022.

EXHIBIT 3

DESCRIPTION OF THE SERIES 2022 FACILITY REALTY

(*To be attached*)

EXHIBIT 4

FORM OF SERIES 2022 PROJECT COMPLETION CERTIFICATE

PROJECT COMPLETION CERTIFICATE OF INSTITUTION AS REQUIRED BY SECTIONS 3.02(f) OF THE FIRST LOAN AGREEMENT AMENDMENT AND 8.14(g) OF THE ORIGINAL LOAN AGREEMENT

The undersigned, Authorized Representatives (as defined in the Loan Agreement referred to below) of Richmond Medical Center, a not-for-profit corporation organized and existing under the laws of the State of New York (the "Institution") HEREBY CERTIFY that this Certificate is being delivered in accordance with the provisions of Section 3.02(f) of that certain First Loan Agreement Amendment, dated as of June 1, 2022 (the "First Loan Agreement Amendment") and Section 8.14(g) of that certain Loan Agreement, dated as of December 1, 2018 (the " Original Loan Agreement" and, together with the First Loan Agreement Amendment, the "Loan Agreement"), each between Build NYC Resource Corporation (the "Issuer") and the Institution, and FURTHER CERTIFY THAT (capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Loan Agreement):

(i) each Series 2022 Project Work is finished and has been completed substantially in accordance with the plans and specifications therefor;

(ii) attached hereto is a copy of one of the following (check only one and attach a copy of the indicated document) (if applicable):

☐ certificate of occupancy, or

☐ temporary certificate of occupancy; or

☐ not applicable;

(iii) there is no certificate, license, permit, written approval or consent or other document required to permit the occupancy, operation and use of the Series 2022 Facility as the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature;

(iv) upon receipt of funds pursuant to the last requisition submitted pursuant to the Indenture, all Series 2022 Bonds proceeds have been or will be expended as follows:

$_____ for the Expansion and Renovation Project Work;

$_____ for the Surgical Suite Project Work;

(v) the Series 2022 Facility is ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines;

(vi) check as applicable:

- ☐ all costs for Series 2022 Project Work have been paid, or
- ☐ all costs for Series 2022 Project Work have been paid except for
  - ☐ amounts not yet due and payable (attach itemized list) and/or
  - ☐ amounts the payments for which are being contested in good faith (attach itemized list with explanations); and

(vii) waivers of mechanics' liens have been obtained from the general contractor and from all contractors and materialmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with the Series 2022 Project Work, except for releases-of-liens pertinent to (y) amounts not yet due and payable, or (z) any amount the payment of which is being contested in good faith; copies of all such releases of mechanics' liens are attached hereto.

[ATTACH to this Certificate copies of all such releases of liens.]

Notwithstanding anything herein or elsewhere that may be inferred to the contrary, the undersigned hereby understands and agrees on behalf of the Institution as follows*:* (a) the Issuer does not waive its right to require delivery of releases-of-liens in connection with the costs of Series 2022 Project Work; (b) the Issuer does not waive its right under the Loan Agreement to demand the discharge of mechanics' and materialmens' liens encumbering the Facility Realty, whether by bond or otherwise; and (c) the Certificate shall be deemed incomplete if, in the Issuer's sole discretion, the Institution has unreasonably failed to bond or otherwise discharge any liens in respect of the costs of Series 2022 Project Work when payment for the same is due.

This Certificate is given without prejudice to any rights of the Institution against third parties existing on the date hereof or which may subsequently come into being and no Person other than the Issuer may benefit from this Certificate.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this _____ day of _____, ____.

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By:_____
Name:
Title:

EXHIBIT 5

SERIES 2022 PROJECT COST BUDGET

	Bond Proceeds	Grant Proceeds	Equity	Total Project Costs
MICU Project	$ 7,212,646	$ 6,240,900	$ -	$ 13,453,546
OR/ Surgical Tower Project	$ 19,214,730	$ 16,889,000	$ -	$ 36,103,730
Projects	***$ 26,427,376***	***$ 23,129,900***	***$ -***	***$ 49,557,276***
Debt Service Reserve Fund	$ 3,022,520	$ -	$ -	$ 3,022,520
Professional Fees, Soft Costs	$ 1,030,944	$ -	$ 255,640	$ 1,286,584
Total Project Costs	***$ 30,480,840***	***$ 23,129,900***	***$ 255,640***	***$ 53,866,380***

EXHIBIT 6

PRINCIPALS OF THE INSTITUTION

Name	Title
David S. Murray	Senior Vice President and Chief Financial Officer
Daniel Messina	President and Chief Executive Officer

EXHIBIT 7

AUTHORIZED REPRESENTATIVES OF INSTITUTION

Name	Title	Signature
David S. Murray	Senior Vice President and Chief Financial Officer	_____
Daniel Messina	President and Chief Executive Officer	_____

EXHIBIT 8

FORM OF CONSTRUCTION MANAGER OR GENERAL CONTRACTOR CERTIFICATE

_____, 20__

Build NYC Resource Corporation
One Liberty Plaza, 165 Broadway
New York, New York 10006

Re: Build NYC Resource Corporation Project
located at 355 Bard Avenue, Staten Island New York, New York (the "Premises")

To Whom It May Concern:

The undersigned (the ["Construction Manager"] ["General Contractor"]) understands that Build NYC Resource Corporation ("BNYC") is providing financial assistance to Richmond Medical Center d/b/a Richmond University Medical Center (the "Project Company"), which financial assistance will be used to assist the Project Company with the construction of the following improvements: [_____] (the "Improvements") on the Premises (the "Project"). [Construction Manager/General Contractor] has been engaged by the Project Company to act as the [construction manager/general contractor] in connection with the construction the Improvements. The undersigned [Construction Manager][General Contractor] does hereby certify and represent to BNYC as follows:

1. The undersigned is familiar with the process for obtaining the approvals, authorizations, permits and licenses necessary to construct and occupy the Improvements.

(a) The following are the approvals, authorizations, permits or licenses currently issued that are necessary to construct and operate the Improvements, pursuant to any law, rule, ordinance or regulation affecting the Premises, including environmental laws, rules, ordinances or regulations: [list approvals]

1.	Zoning	Department of Buildings
2.	New Building	Department of Buildings
3.	Sewer Permit	Department of Environmental Protection
4.	Sprinklers	Department of Buildings
5.	Standpipe	Department of Buildings
6.	Generator	Department of Buildings
7.	Paving Plan	Department of Buildings
8.	Street Opening	Department of Transportation
9.	Asbestos Control Program	Department of Environmental Protection

(b) As to those approvals, authorizations, permits and licenses not yet obtained, the undersigned knows of no reason why the same should not be issued when required by the Project Company. Such approvals can be obtained in the ordinary course of business so as to not delay the construction of the Improvements, and the issuance of such approvals, authorizations, permits and licenses by the applicable government authority is ministerial.

2. To my knowledge, there is no petition, action or proceeding known to the undersigned pending before the court, agency or official, threatened with respect to the validity of any statutes, ordinances, regulations, restrictions, codes, rules, permits, certificates or any permits or approvals thereunder relating to the Improvements, or to revoke, rescind, alter or declare any of the same.

3. The undersigned is duly licensed and in good standing in the State of New York.

The statements contained in this letter are an expression of the undersigned's opinion, are made to the best of the undersigned's knowledge, information and belief, and are in accordance with generally accepted standards of construction industry practice.

Very truly yours,

By _____
Name:
Title:

EXHIBIT 9

FORM OF ARCHITECT'S CERTIFICATE

_____, 20__

Build NYC Resource Corporation
One Liberty Plaza, 165 Broadway
New York, New York 10006

Re: Build NYC Resource Corporation Project
located at 355 Bard Avenue, Staten Island New York, New York (the "Premises")

To Whom It May Concern:

The undersigned (the "Architect") understands that Build NYC Resource Corporation ("BNYC") is providing financial assistance to Richmond Medical Center d/b/a Richmond University Medical Center (the "Project Company"), which financial assistance will be used to assist the Project Company with the construction of the following improvements (the "Improvements"): [_____] on the Premises (the "Project"). Architect has been engaged by the Project Company to provide architectural services in connection with the Project.

The undersigned Architect does hereby certify and represent to BNYC as follows:

1. The Architect has prepared [preliminary] plans and specifications with respect to the Project (the "Plans and Specifications").

2. Based on the Plans and Specification, upon completion the Improvements will be [_____] Usable Square Feet. For purposes of such calculation, "Usable Square Feet" shall mean square footage within the Improvements, including revenue-generating below-grade, cellar and sub-surface space, excluding (i) public elevator shafts and elevator machines and their enclosing walls; (ii) public stairs shafts and elevator machines and their enclosing walls (iii) heating, ventilating and air conditioning facilities (including pipes, ducts and shafts) and their enclosing walls, except equipment, mechanical room space or shafts serving a specific floor; (iv) fire towers and fire tower courts and their enclosing walls and their enclosing walls; (v) main telephone equipment rooms and main electrical switchgear rooms, except telephone equipment, and electric switchgear serving a specific floor; and (vi) with respect to revenue-generating below grade, cellar and sub-surface space, excluding machine rooms and pump rooms and their enclosing walls,; electrical switchgear rooms and their enclosing walls; telephone equipment rooms and their enclosing walls, and all space devoted to servicing the operation of the Improvements, i.e., cleaning contractors, storage, building maintenance shop, building engineers office etc..

3. The Premises is locating in a [insert Zoning classification] zoning district as defined in the Zoning Resolution of the City of New York, as in effect on the date hereof, and such zoning classification permits the construction of the Improvements as contemplated in the Plans and Specifications for the intended use of the Improvements by the Project Company.

4. The Premises is comprised of a single zoning lot corresponding to a single tax lot (Block [ ], Lot [ ] on the Official Tax Map for the County of [ ]).

5. To my knowledge, there is no petition, action or proceeding known to the undersigned pending before the court, agency or official, threatened with respect to the validity of any statutes, ordinances, regulations, restrictions, codes, rules, permits, certificates or any permits or approvals thereunder relating to the Improvements, or to revoke, rescind, alter or declare any of the same.

6. Architect is an architect duly licensed to practice architecture in the State of New York.

The statements contained in this letter are an expression of the undersigned's professional opinion, are made to the best of the undersigned's knowledge, information and belief, and are based on the undersigned's performance of services under its agreement with the Project Company in accordance with generally accepted standards of professional practice.

Very truly yours,

EXHIBIT 10

FORM OF INDIVIDUAL PROJECT WORK COMPLETION CERTIFICATE

INDIVIDUAL PROJECT WORK COMPLETION CERTIFICATE OF INSTITUTION AS REQUIRED BY SECTIONS 3.02(j) OF THE FIRST LOAN AGREEMENT AMENDMENT AND 8.14(i) OF THE ORIGINAL LOAN AGREEMENT

[Expansion and Renovation] [Surgical Suite] Project Work

The undersigned, Authorized Representatives (as defined in the Loan Agreement referred to below) of Richmond Medical Center, a not-for-profit corporation organized and existing under the laws of the State of New York (the "Institution") HEREBY CERTIFY that this Certificate is being delivered in accordance with the provisions of Section 3.02(j) of that certain First Loan Agreement Amendment, dated as of June 1, 2022 (the "First Loan Agreement Amendment") and Section 8.14(i) of that certain Loan Agreement, dated as of December 1, 2018 (the "Original Loan Agreement" and, together with the First Loan Agreement Amendment, the "Loan Agreement"), between Build NYC Resource Corporation (the "Issuer") and the Institution, and FURTHER CERTIFY THAT (capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Loan Agreement):

(i) [Expansion and Renovation] [Surgical Suite] Project Work is finished and has been completed substantially in accordance with the plans and specifications therefor;

(ii) attached hereto is a copy of one of the following (check only one and attach a copy of the indicated document) (if applicable):

- ☐ certificate of occupancy, or
- ☐ temporary certificate of occupancy; or
- ☐ not applicable;

(iii) there is no certificate, license, permit, written approval or consent or other document required to permit the occupancy, operation and use of such completed [Expansion and Renovation] [Surgical Suite] Project Work facility as part of the Approved Facility that has not already been obtained or received, except for such certificates, licenses, permits, authorizations, written approvals and consents that will be obtained in the ordinary course of business and the issuance of which are ministerial in nature;

(iv) such completed [Expansion and Renovation] [Surgical Suite] Project Work facility is ready for occupancy, use and operation for the Approved Project Operations in accordance with all applicable laws, regulations, ordinances and guidelines;

(v) check as applicable:

- ☐ all costs for such [Expansion and Renovation] [Surgical Suite] Project Work have been paid, or

- ☐ all costs for such [Expansion and Renovation] [Surgical Suite] Project Work have been paid except for

  - ☐ amounts not yet due and payable (attach itemized list) and/or

  - ☐ amounts the payments for which are being contested in good faith (attach itemized list with explanations); and

(vi) waivers of mechanics' liens have been obtained from the general contractor and from all contractors and materialmen who supplied work, labor, services, machinery, equipment, materials or supplies in connection with the such [Expansion and Renovation] [Surgical Suite] Project Work, except for releases-of-liens pertinent to (y) amounts not yet due and payable, or (z) any amount the payment of which is being contested in good faith; copies of all such releases of mechanics' liens are attached hereto.

[ATTACH to this Certificate copies of all such releases of liens.]

Notwithstanding anything herein or elsewhere that may be inferred to the contrary, the undersigned hereby understands and agrees on behalf of the Institution as follows: (a) the Issuer does not waive its right to require delivery of releases-of-liens in connection with the costs of such [Expansion and Renovation] [Surgical Suite] Project Work; (b) the Issuer does not waive its right under the Loan Agreement to demand the discharge of mechanics' and materialmens' liens encumbering the Facility Realty, whether by bond or otherwise; and (c) the Certificate shall be deemed incomplete if, in the Issuer's sole discretion, the Institution has unreasonably failed to bond or otherwise discharge any liens in respect of the costs of such [Expansion and Renovation] [Surgical Suite] Project Work when payment for the same is due.

This Certificate is given without prejudice to any rights of the Institution against third parties existing on the date hereof or which may subsequently come into being and no Person other than the Issuer may benefit from this Certificate.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this _____ day of _____, ____.

RICHMOND MEDICAL CENTER D/B/A
RICHMOND UNIVERSITY MEDICAL CENTER

By:_____
Name:
Title:

EXHIBIT 11

DESCRIPTION AND DOLLAR VALUE OF PUBLIC FUNDS

	Description of Public Funds	**Dollar Value of Public Funds (PV)**
☐	The payment of money, by the Issuer or a third party acting on behalf of and for the benefit of the Issuer, directly to or on behalf of the contractor, subcontractor, developer or owner that is not subject to repayment Description: Not applicable.	
☒	The savings achieved from fees, rents, interest rates, or other loan costs, or insurance costs that are lower than market rate costs; savings from reduced taxes as a result of tax credits, tax abatements, tax exemptions or tax increment financing; savings from payments in lieu of taxes; and any other savings from reduced, waived, or forgiven costs that would have otherwise been at a higher or market rate but for the involvement of Issuer Description: Real Property Tax Exemption Benefits Sales and Use Tax Exemption Benefits Mortgage Recording Tax Exemption Benefits	 $ $ $
☐	Money loaned by the Issuer that is to be repaid on a contingent basis Description: Not applicable.	
☐	Credits that are applied by the Issuer against repayment of obligations to the Issuer. Description: Not applicable	

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (this "Disclosure Agreement") is executed and delivered on June __, 2022, by **RICHMOND MEDICAL CENTER**, doing business as Richmond University Medical Center, a New York not-for-profit corporation (the "Borrower") and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States (the "Dissemination Agent"), in connection with the issuance of $31,160,000 Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022 (the "Bonds"). The Bonds are being issued pursuant to the Indenture of Trust, dated as of December 1, 2018 (the "Original Indenture"), as supplemented and amended by the First Supplemental Indenture of Trust, dated as of June 1, 2022 (the "Supplement", and together with the Original Indenture, the "Indenture"), each by and between Build NYC Resource Corporation (the "Issuer") and U.S. Bank National Association, as trustee (the "Trustee"), and the proceeds of the Bonds are being loaned by the Issuer to the Borrower pursuant to a Loan Agreement, dated as of December 1, 2018 (the "Original Agreement"), as amended and supplemented by the First Loan Agreement Amendment, dated as of June 1, 2022 (the "First Amendment", and together with the Original Agreement (the "Loan Agreement"), each by and between the Issuer and the Borrower. The Bonds are being issued as draw-down bonds and may initially only be sold by the Underwriter in Authorized Denominations to the Bondholder. The Borrower and Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement.

This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the "Bondholder") and in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5), as it may be amended from time to time (the "Rule"), including administrative or judicial interpretations thereof, as it applies to the Bonds. The initial Bondholder and Bondholder Representative is Preston Hollow Capital, LLC.

The Borrower acknowledges and agrees that the Issuer is not an "obligated person" for purposes of the Rule and shall have no reporting or disclosure obligations hereunder. In addition to any other indemnification obligations of the Borrower to the Issuer and the Dissemination Agent now or hereafter existing, the Borrower hereby covenants and agrees to indemnify and hold harmless the Issuer and the Dissemination Agent, any person who "controls" the Issuer or the Dissemination Agent (within the meaning of Section 15 of the Securities Act of 1933, as amended), and any member, officer, director, official, agent, employee and attorney of the Issuer, the State, the City, or the Dissemination Agent (collectively called the "Indemnified Parties") against any and all losses, claims, damages or liabilities (including all costs, expenses and reasonable counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by, relating to, arising out of, resulting from, or in any way connected with compliance with the Rule as it applies to the Bonds.

SECTION 2. Definitions.

In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Borrower pursuant to and as described in Sections 3 and 4 of this Disclosure Agreement.

"Commission" shall mean the Securities and Exchange Commission.

"Continuing Disclosure Information" shall mean, collectively, (i) each Annual Report, (ii) any quarterly financial information required to be filed pursuant to Section 3(d) of this Disclosure Agreement, (iii) any notice required to be filed with the MSRB pursuant to Section 3(c) of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed with the MSRB pursuant to Section 5(c) of this Disclosure Agreement.

"Disclosure Representative" shall mean the Senior Vice President and Chief Financial Officer of the Borrower or his or her designee, or such other officer or employee as the Borrower shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean any Dissemination Agent or successor Dissemination Agent designated in writing by the Disclosure Representative and which has filed with the Disclosure Representative and the Trustee a written acceptance of such designation. The same entity may serve as both Trustee and Dissemination Agent. In the absence of a third-party Dissemination Agent, the Disclosure Representative shall serve as the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. (Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access ("EMMA") website of the MSRB, currently located at http://emma.msrb.org.)

"Offering Document" shall mean the Limited Offering Memorandum dated June 29, 2022 relating to the Bonds.

"Operating Data" shall mean an update of the financial and operating data contained in the Offering Document in "APPENDIX A – INFORMATION CONCERNING THE INSTITUTION" in the tables under the following headings: "Historical Utilization Rates," "Summary of Inpatient Utilization," "Net Patient Service Revenue," "Payor Mix," "Listing of Grants," "Consolidated Balance Sheet," "Consolidated Statements of Operations and Changes in Net Assets," "Consolidated Statement of Cash Flows," "Days Cash on Hand," "Outstanding Indebtedness," and "Debt Service Coverage Ratio."

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds. The original underwriter is Cain Brothers, a division of KeyBanc Capital Markets Inc.

SECTION 3. Provision of Annual Reports and Quarterly Information.

(a) Commencing with the fiscal year ending December 31, 2022 of the Borrower, the Borrower shall, no later than 150 days following the end of each fiscal year during which any of the Bonds remain outstanding, provide to the Dissemination Agent, the Borrower's Annual Report prepared in each case for the fiscal year of the Borrower ending the immediately preceding December 31. Each Annual Report provided to the Dissemination Agent by the Borrower shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to MSRB. If the document incorporated by reference is a final limited offering memorandum, it must be available from the MSRB. Any and all items

that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission.

(b) The Dissemination Agent, promptly on receiving the Annual Report, and in any event not later than 150 days following the end of such other fiscal year, shall submit each such Annual Report received by it to the MSRB in accordance with the Rule and to the Issuer.

(c) If the Borrower fails to submit the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section, the Dissemination Agent in a timely manner shall send a notice to the Borrower advising of such failure. If the Borrower thereafter fails to submit the Annual Report to the Dissemination Agent by the last Business Day of the month in which such Annual Report was due, the Dissemination Agent shall send a notice in a timely manner to the MSRB in substantially the form attached as Exhibit A hereto.

(d) In addition to the Annual Report required to be filed pursuant to subsection (a), the Borrower shall, or shall cause the Dissemination Agent to, not later than forty-five (45) days after the end of the first three quarters of each Fiscal Year of the Borrower (presently March 31, June 30 and September 30), commencing with the quarter ending June 30, 2022, provide to the MSRB quarterly unaudited financial information prepared by the Borrower. The unaudited financial information shall include a balance sheet and a statement of operations and changes in net assets of the Borrower.

SECTION 4. Content of Annual Reports. The Borrower's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the Borrower for the immediately preceding Fiscal Year, prepared in accordance with generally accepted accounting principles.

(b) The Operating Data of the Borrower updated for the Fiscal Year to which the Annual Report pertains.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Borrower or related public entities which have been submitted to the MSRB or the Commission. If the document included by reference is a final offering memorandum, it must be available from the MSRB. The Borrower shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Borrower shall (as soon as practicable and in any event in sufficient time to accommodate the filing contemplated by Section 5(b)) give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds (the "Disclosure Event Notices"):

1. Principal and interest payment delinquencies.

2. Non-payment related defaults, if material.

3. Unscheduled draws on debt service reserves reflecting financial difficulties.

4. Unscheduled draws on credit enhancements reflecting financial difficulties.

5. Substitution of credit or liquidity providers, or their failure to perform.

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. Modifications to rights of the Bondholders, if material.

8. Bond calls, if material, and tender offers.

9. Defeasances.

10. Release, substitution or sale of property securing repayment of the Bonds, if material.

11. Rating changes.

12. Bankruptcy, insolvency, receivership or similar event of the Borrower.[1]

13. The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect Bondholders, if material.[2]

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.[2]

(b) The Borrower shall, within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in clauses (2), (6), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Borrower may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to provide, or to monitor the Borrower's obligation to provide, notification of the occurrence of any of the Listed Events which are material.

[1] As noted in the Rule, this event is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent or similar officer for the Institution in a proceeding under the U.S. Bankruptcy Code or in any proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (ii) the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower.

[2] For purposes of the events identified in Sections 5(a)(15) and (16) above, the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

(c) If the Dissemination Agent has been instructed by the Borrower to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB within three (3) Business Days of the receipt of such instruction, but in no event later than ten (10) business days after the occurrence of a Listed Event, with a copy of such notice provided by the Dissemination Agent to the Borrower, the Issuer, and the Trustee. In addition, notice of Listed Events described in subsection (a)(8) of this Section 5 shall be given by the Dissemination Agent under this subsection simultaneously with the giving of the notice of the underlying event to the Bondholder pursuant to the Indenture.

SECTION 6. Submission of Information to MSRB.

Unless otherwise required by the MSRB, all notices, documents, and information provided to the MSRB shall be provided to the MSRB's EMMA system, the current internet web address of which is www.emma.msrb.org. Unless otherwise provided by law, any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by MSRB Rule G-32 or such other format as the Rule may require or permit and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32 or as may otherwise be required by the Rule.

SECTION 7. Termination of Reporting Obligation.

The Borrower's obligations under this Disclosure Agreement shall terminate upon legal defeasance under the Indenture, prior redemption or payment in full of all of the Bonds. If such termination occurs before the final maturity of the Bonds, the Borrower shall give notice of such termination in the same manner as for a Listed Event.

SECTION 8. Dissemination Agent.

The Disclosure Representative may from time to time appoint or engage a Dissemination Agent to assist it in carrying out the Borrower's obligations under this Disclosure Agreement. The Disclosure Representative may discharge any Dissemination Agent (other than the Disclosure Representative), with or without appointing a successor Dissemination Agent. Any Dissemination Agent (other than the Disclosure Representative) may resign upon 30 days notice to the Disclosure Representative. If at any time there is not any other designated Dissemination Agent, whether due to the discharge or resignation of any successor Dissemination Agent, the Disclosure Representative shall serve as the Dissemination Agent.

SECTION 9. Amendment; Waiver.

Notwithstanding any other provisions of this Disclosure Agreement, the Borrower may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel addressed to the Issuer and the Dissemination Agent to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No such amendment shall be effective until the written consent of the Issuer has been received. No amendment to this Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto.

SECTION 10. Additional Information.

Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in the Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in the Annual Report or notice of occurrence of a Listed Event in

addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default.

(a) The following shall each constitute a "Default" or an "Event of Default" hereunder:

(1) The occurrence and continuation of a failure by the Borrower to observe, perform, or comply with any covenant, condition, or agreement on its part to be observed or performed in this Disclosure Agreement, if such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the Borrower by the Dissemination Agent. the Bondholder, or the Issuer (a "Disclosure Default"); or

(2) The occurrence and continuation of a failure by the Dissemination Agent to observe, perform, or comply with any covenant, condition or agreement on its part to be observed or performed in this Disclosure Agreement, if such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the Dissemination Agent by the Issuer, the Trustee, or the Bondholder (a "Dissemination Default").

(b) **Remedies on Default**.

(1) (i) In the case of the enforcement of any of the obligations hereunder to provide the Annual Report and the Disclosure Event Notices, the Trustee, on behalf of the Bondholder, may and (ii) in the case of challenges to the adequacy of information set forth in the Annual Report and the Disclosure Event Notices so provided, the Trustee may (and at the request of the Issuer or the Bondholder shall), take whatever action at law or in equity against the Borrower or the Dissemination Agent that is necessary or desirable to enforce the specific performance and observance of any obligation, agreement, or covenant of the Borrower or the Dissemination Agent under this Disclosure Agreement and may compel the Borrower or the Dissemination Agent to perform and carry out their duties under this Disclosure Agreement; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(2) The Issuer or the Bondholder may take whatever action at law or in equity against the Borrower or the Dissemination Agent and any of the officers, agents and employees of the Borrower or the Dissemination Agent that is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Borrower or the Dissemination Agent, as the case may be, under this Disclosure Agreement and may compel the Borrower or the Dissemination Agent, as the case may be, or any such officers, agents, or employees to perform and carry out their duties under this Disclosure Agreement, provided that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(3) In case the Trustee, the Dissemination Agent, the Trustee. the Issuer, or the Bondholder shall have proceeded to enforce its rights under this Disclosure Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to such party, then and in every such case the Issuer, the Trustee, the Dissemination Agent, or the Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies, and powers of the Issuer, the Trustee, the Dissemination Agent, or the Bondholder shall continue as though no such proceeding had been taken.

(4) An Event of Default under this Disclosure Agreement shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any

failure by the Borrower to comply with this Disclosure Agreement shall be as set forth in Section 11(b) of this Disclosure Agreement. The sole remedies under this Disclosure Agreement in the event of any failure by the Dissemination Agent to comply with this Disclosure Agreement shall be as set forth in Section 11(b) of this Disclosure Agreement.

(c) **Agreements to Pay Reasonable Attorneys' Fees and Expenses**.

(1) If a Disclosure Default occurs and the Trustee, the Issuer, or the Bondholder, as the case may be, employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it will on demand therefor pay to the Trustee, the Issuer or the Bondholder the reasonable fees of such attorneys and such other expenses so incurred by the Trustee, the Issuer, or the Bondholder, as the case may be.

(2) If a Dissemination Default occurs and the Trustee, the Issuer, or the Bondholder employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Dissemination Agent herein contained, the Dissemination Agent agrees that it will on demand therefor pay to the Trustee, the Issuer, or the Bondholder, as the case may be, the reasonable fees of such attorneys and such other expenses so incurred by the Trustee, the Issuer, or the Bondholder, provided that notwithstanding anything in the Indenture to the contrary the Dissemination Agent shall not be reimbursed or otherwise indemnified by the Issuer for the payment of any such fees or expenses paid to the Issuer, or any Bondholder in connection with remedying any Dissemination Default.

(d) **No Remedy Exclusive**. No remedy herein conferred upon or reserved to the Trustee, the Issuer, the Dissemination Agent, or the Bondholder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Disclosure Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer, the Trustee, the Dissemination Agent or the Bondholder, as the case may be, to exercise any remedy reserved to it in this Section it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

(e) **No Additional Waiver Implied by One Waiver**. In the event any agreement contained in this Disclosure Agreement shall be breached by any party and thereafter waived by any affected party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(f) **Delay Not to Constitute Waiver**. No failure by any party to insist upon strict performance of this Disclosure Agreement or to exercise any remedy upon the occurrence of a Disclosure Default or a Dissemination Default shall constitute a waiver of such default, or a waiver or modification of any provision of this Disclosure Agreement, and, likewise, no prior course of dealing between the parties hereto shall constitute a waiver of such default or a waiver or modification of any provision of this Disclosure Agreement.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Dissemination Agent, the Borrower, the Issuer, the Bondholder, and the Underwriter, and the Issuer and the Bondholder is hereby declared to be a third-party beneficiary of this Disclosure Agreement. The Issuer and the Bondholder shall have the right to bring an action in order to enforce

the obligations of the parties hereunder. Except as provided in the immediately preceding sentence, this Disclosure Agreement shall create no rights in any other person or entity.

SECTION 13. Notices.

All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail. postage prepaid. return receipt requested, addressed as set forth below:

(i) If to the Borrower:

Richmond Medical Center d/b/a
Richmond University Medical Center
355 Bard Avenue
Staten Island, New York 10310
Attention: Senior Vice President and Chief Financial Officer

with a copy to:

Garfunkel Wild, P.C.
111 Great Neck Road, Suite 600
Great Neck, New York 11021
Attention: Andrew Schulson, Esq.

(ii) If to the Issuer:

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: General Counsel

with a copy to:

Build NYC Resource Corporation
110 William Street
New York, New York 10038
Attention: Executive Director

(iii) if to the Trustee, to

U.S. Bank National Association
100 Wall Street, 16th Floor
New York, New York 10005
Attention: Corporate Trust Services

with a copy to:

Paparone Law PLLC
30 Broad Street, 14th Floor, #1482

New York, New York 10004
Attention: Melissa E. Paparone, Esq., and

(iv) if to the Bondholder, to

Preston Hollow Capital, LLC
1717 Main Street, Suite 3900
Dallas, Texas 75201
Attention: John Dinan. General Counsel.

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 13 for the giving of notice.

SECTION 14. Successors and Assigns. All of the covenants, promises, and agreements contained in this Disclosure Agreement by or on behalf of the Borrower or the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. Headings for Convenience Only. The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. Severability. If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of New York (other than with respect to conflicts of laws).

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties have executed this Disclosure Agreement by their proper and duly authorized officers the day and year first above written.

RICHMOND MEDICAL CENTER,
doing business as Richmond University Medical Center,
a New York not-for-profit corporation

By: _____
Senior Vice President and Chief Financial Officer

U.S. BANK NATIONAL ASSOCIATION,
a national banking association
as Dissemination Agent

By: _____
Title:

EXHIBIT A

FORM OF NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issue: Build NYC Resource Corporation Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022

Date of Issuance: June __, 2022

NOTICE IS HEREBY GIVEN that Richmond Medical Center (the "Borrower") has not provided an Annual Report with respect to the above-named Bonds as required by Sections 3 and 4 of the Continuing Disclosure Agreement dated as of June __, 2022. The Borrower anticipates that the Annual Report will be filed by _____.

U.S. BANK NATIONAL ASSOCIATION,
a national banking association
as Dissemination Agent

By: _____
Name:
Title:
Date:

cc: Build NYC Resource Corporation

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G

PROPOSED FORM OF OPINION OF BOND COUNSEL

June 30, 2022

Build NYC Resource Corporation
New York, New York

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by Build NYC Resource Corporation, a local development corporation created pursuant to the Not-For-Profit Corporation Law of the State of New York (the "NFP Corporation Law") at the direction of the Mayor of The City of New York (the "Issuer"), of its Tax-Exempt Revenue Bonds (Richmond Medical Center Project), Series 2022 in the aggregate principal amount of up to $31,160,000 (the "Series 2022 Bonds"). All capitalized terms used but not defined herein shall have the respective meanings set forth in Appendix A to the Indenture referred to herein.

The Series 2022 Bonds are issued under and pursuant to that certain Indenture of Trust, dated as of December 1, 2018 (the "Original Indenture"), as amended and supplemented by the First Supplemental Indenture of Trust, dated as of June 1, 2022 (the "First Supplemental Indenture" and, together with the Original Indenture, the "Indenture"), each by and between the Issuer and U.S. Bank National Association, as trustee (the "Trustee"), and a resolution of the Issuer adopted on January 18, 2022 authorizing the Series 2022 Bonds (the "Bond Resolution").

The Series 2022 Bonds are dated the date hereof, are issuable as fully registered bonds in the minimum denomination of $100,000 or any integral multiple of $5,000 in excess thereof (or as otherwise provided in the Indenture), and mature on the date and bear interest at the rate as set forth in the First Supplemental Indenture and the Series 2022 Bonds.

The Series 2022 Bonds are subject to redemption prior to maturity, in the manner and upon the terms and conditions set forth in the Indenture and the Series 2022 Bonds.

The Series 2022 Bonds are issued for the purpose of financing a project, on behalf of Richmond Medical Center d/b/a Richmond University Medical Center (together with any assignee of the Loan Agreement hereafter referred to, the "Institution"), consisting of the financing of (a) the design, construction, furnishing and equipping of a new 30,772 square foot addition for new surgical suites and related facilities to an existing building under construction that will total 69,982 square feet upon completion, which is located on an 578,550 square foot parcel of land comprising the Institution's Campus, (b) other hospital expansions, renovations and equipment to be located on the Institution's Campus, (c) a debt service reserve fund; and (d) certain costs related to the issuance of the Series 2022 Bonds (collectively, the "Project").

The Issuer and the Institution, a duly organized and validly existing New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), which is exempt from federal income taxation pursuant to Section 501(a) of the Code, have entered into that certain Loan Agreement, dated as of December 1, 2018 (the "Original Loan Agreement"), as amended and supplemented by the First Loan Agreement Amendment, dated as of

June 1, 2022 (the "First Loan Agreement Amendment" and, together with the Original Loan Agreement, the "Loan Agreement"), providing, among other things, for the financing of the Project and the loan of the proceeds of the Series 2022 Bonds to the Institution. The obligation of the Institution to repay the Loan related to the Series 2022 Bonds will be evidenced by that certain Promissory Note, dated the date hereof, from the Institution to the Issuer and endorsed by the Issuer to the Trustee (collectively, the "Promissory Note"). The Series 2022 Bonds are also secured by mortgage liens on and a security interest in the Institution's fee interest in the Mortgaged Property (as defined in the Mortgage defined below) pursuant to that certain Mortgage and Security Agreement (Building Loan) and that certain Mortgage and Security Agreement (Indirect Loan), each dated as of June 1, 2022 (collectively, the "Mortgage"), from the Institution, as mortgagor, to the Trustee, as mortgagee. The Series 2022 Bonds will be further secured by that certain Collateral Mortgage and Security Agreement, dated as of June 1, 2022, from the Institution, as mortgagor, to the Trustee, as mortgagee (the "Series 2022 Collateral Mortgage"). As additional security for the Series 2018 Bonds, the Intuition has entered into the Collateral Mortgage and Security Agreement, dated as of June 1, 2022 in favor of the Trustee for the benefit of the holders of the Series 2018 Bonds (the "Series 2018 Collateral Mortgage" and, together with the Series 2022 Collateral Mortgage, the "Collateral Mortgage").

The Code establishes certain requirements that must be met at and subsequent to the issuance and delivery of the Series 2022 Bonds for interest on the Series 2022 Bonds to be and remain not includable in gross income of the owners thereof under Section 103 of the Code. Included among the continuing requirements of the Code are the maintenance of the status of the Institution as an organization described in Section 501(c)(3) of the Code, certain restrictions and prohibitions on the use of bond proceeds and the use of the bond-refinanced portion of the Series 2022 Facility, restrictions on the investment of such proceeds and other amounts, and the rebate to the United States of certain earnings in respect of investments. Failure to comply with these continuing requirements may cause the interest on the Series 2022 Bonds to be includable in gross income for federal income tax purposes (and to be includable in taxable income for purposes of New York State, The City of New York, and City of Yonkers personal income taxes) retroactively to the date of their issuance irrespective of the date on which such noncompliance occurs. In connection with the issuance of the Series 2022 Bonds, the Issuer and the Institution have executed that certain Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986 (together with all exhibits and other attachments thereto), dated as of the date hereof (the "Tax Certificate"). In the Indenture, the Loan Agreement, the Tax Certificate, and accompanying documents, exhibits, and certificates, the Issuer and the Institution have covenanted to comply with certain procedures, and they have made certain representations and certifications, designed to assure compliance with the requirements of the Code. The opinion set forth herein regarding federal and state income tax matters assumes continuing compliance with such covenants, and the accuracy, in all material aspects, of such representations and certifications.

Certain requirements and procedures contained or referred to in the Indenture, the Loan Agreement, the Tax Certificate and other relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of nationally-recognized bond counsel. Katten Muchin Rosenman LLP expresses no opinion as to the effect on the exclusion from gross income for federal tax purposes, and as to the effect on the non-inclusion in taxable income for purposes of personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York and the City of Yonkers), of interest on the Series 2022 Bonds of any such change occurring, or such action or other action taken or not taken, after the date of issue of the Series 2022 Bonds, upon the advice or approval of bond counsel other than Katten Muchin Rosenman LLP.

We are of the opinion that:

1. The Issuer is duly organized and validly existing under the NFP Corporation Law, and has the right and power thereunder to enter into the First Supplemental Indenture, and the First Supplemental Indenture has been duly authorized, executed and delivered by the Issuer, and the Indenture (as amended by the First Supplemental Indenture) is in full force and effect, and is valid and binding upon the Issuer and enforceable against the Issuer in accordance with its terms.

2. The Issuer has the right and power under the NFP Corporation Law to enter into the First Loan Agreement Amendment, and the First Loan Agreement Amendment has been duly authorized, executed and delivered by the Issuer, and the Loan Agreement (as amended by the First Loan Agreement Amendment) is in full force and effect, and constitutes a valid and binding agreement of the Issuer enforceable against the Issuer in accordance with its terms.

3. The Series 2022 Bonds have been duly authorized and issued by the Issuer in accordance with law and in accordance with the Indenture and are the valid and binding special limited revenue obligations of the Issuer, payable solely from the loan payments, revenues and receipts derived from the Loan Agreement and the Promissory Note and pledged under the Indenture. The Series 2022 Bonds are enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefit of the Indenture. All conditions precedent to the delivery of the Series 2022 Bonds have been fulfilled.

4. Under existing statutes, regulations, rulings and court decisions, interest on the Series 2022 Bonds (including accrued original issue discount) is not includable in gross income for federal income tax purposes, assuming continuing compliance by the Issuer and the Institution (and their successors) with the covenants and the accuracy of the representations referenced above. Interest on the Series 2022 Bonds (including accrued original issue discount) is not an "item of tax preference" for purposes of the federal alternative minimum tax.

In rendering this opinion, we have relied on the opinion of Garfunkel Wild, P.C., special counsel to the Institution, regarding, among other matters, the current qualification of the Institution as an organization described in Section 501(c)(3) of the Code. We note that the opinion of special counsel to the Institution is subject to a number of qualifications and limitations. Failure of the Institution to be organized and operated in accordance with the Internal Revenue Service's requirements for the maintenance of the status of the Institution as an organization described in Section 501(c)(3) of the Code, or the failure of the Institution to use the proceeds of the Series 2022 Bonds in furtherance of exempt purposes may result in interest on the Series 2022 Bonds being included in gross income for federal income tax purposes, possibly from the date of issuance of the Series 2022 Bonds.

5. Under existing statutes, regulations, rulings and court decisions, interest on the Series 2022 Bonds (including accrued original issue discount) is not included in taxable income for purposes of personal income taxes imposed by the State of New York and any political subdivision thereof (including The City of New York and the City of Yonkers), assuming continuing compliance by the Issuer, the Institution (and its successors) with the covenants and the accuracy of the representations referenced in paragraph 4 above.

Except as stated in paragraphs 4 and 5 above, we express no opinion regarding any other federal tax consequences of the ownership or disposition of the Series 2022 Bonds.

In rendering the opinions in paragraphs 4 and 5 above, we have (i) relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectations,

and certifications of fact contained in the Tax Certificate delivered on the date hereof by the Issuer and the Institution with respect to the use of proceeds of the Series 2022 Bonds, the use of the Series 2022 Facility and the investment of certain funds, and other matters affecting the exclusion of interest on the Series 2022 Bonds from gross income for federal income tax purposes under Section 103 of the Code, (ii) relied upon the opinion of Garfunkel Wild, P.C., special counsel to the Institution, dated the date hereof, and (iii) relied upon and assumed compliance by the Issuer and the Institution with procedures and ongoing covenants set forth in the Tax Certificate and with the ongoing tax covenants set forth in the Indenture and the Loan Agreement. Under the Code, failure to comply with such procedures and covenants may cause the interest on the Series 2022 Bonds to be included in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2022 Bonds, irrespective of the date on which such noncompliance occurs or is ascertained. Compliance with certain of such requirements may necessitate that persons not within the control of the Issuer or the Institution take or refrain from taking certain actions.

We have examined one of the Series 2022 Bonds in fully registered form and, in our opinion, the form of said Series 2022 Bond is regular and proper.

The foregoing opinions are qualified only to the extent that the enforceability of the Series 2022 Bonds, the Indenture, the Loan Agreement, the Promissory Note, the Mortgage, the Collateral Mortgage and the Tax Certificate may be limited by bankruptcy, moratorium or insolvency or other laws affecting creditors' rights generally and by application of general rules of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

In rendering this opinion, we express no opinion with respect to the due recording of the Mortgage, the Collateral Mortgage or the Indenture and the due filing and sufficiency of the related financing statements under the New York State Uniform Commercial Code. We understand that you have received the opinion of Garfunkel Wild, P.C., special counsel to the Institution, dated the date hereof.

In rendering this opinion, we are not passing upon any matters relating to title to the Series 2022 Facility. We understand that you have received a title insurance policy insuring the Trustee's interest under the Mortgage and the Collateral Mortgage.

In rendering this opinion, with respect to (i) the due authorization, execution and delivery of the First Loan Agreement Amendment, the Promissory Note, the Mortgage, the Collateral Mortgage and the Tax Certificate by the Institution and, (ii) the current qualification of the Institution as organizations described in Section 501(c)(3) of the Code, we have relied upon the opinion of Garfunkel Wild, P.C., special counsel to the Institution, dated the date hereof.

In rendering this opinion, with respect to the due authorization, execution and delivery of the First Supplemental Indenture by the Trustee, we have relied upon the opinion of Paparone Law PLLC, counsel to the Trustee, dated the date hereof.

Attention is called to the fact that we have not been requested to examine and have not examined any documents or information relating to the Institution other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been or may be supplied to any purchaser of the Series 2022 Bonds.

In rendering this opinion, we express no opinion as to the necessity for obtaining any licenses, permits or other approvals relating to the Series 2022 Facility or the application or effect of any

environmental laws, ordinances, rules, regulations or other requirements of any governmental authority with respect to the Series 2022 Facility or the transactions contemplated under the Indenture.

The foregoing opinions are further subject, however, to the qualification that we express no opinion as to matters relating to the rights in, title to or sufficiency of the description of any property or collateral described in the Security Documents (as defined in the Indenture) or the creation, perfection or relative priority of any lien or security interest created with respect to such property or collateral thereunder.

We undertake no responsibility for the accuracy, completeness or fairness of any offering materials relating to the Series 2022 Bonds and express herein no opinion relating thereto.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances, or any changes in law or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

[THIS PAGE INTENTIONALLY LEFT BLANK]

BUILD NYC RESOURCE CORPORATION • TAX-EXEMPT REVENUE BONDS (RICHMOND MEDICAL CENTER PROJECT), SERIES 2022

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com