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See "RATING" Section Inside

In the opinion of Nixon Peabody LLP, New York, New York, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Issuer, the Institution and the School described herein, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Series 2021A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Series 2021A Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision of the State of New York, including The City of New York. Interest on the Series 2021B Bonds is not excluded from gross income for federal income tax purposes and is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS – SERIES 2021A BONDS" and "TAX MATTERS – SERIES 2021B BONDS" herein regarding certain other tax considerations.

SETON EDUCATION PARTNERS

BUILD NYC RESOURCE CORPORATION

$14,595,000
BUILD NYC RESOURCE CORPORATION
TAX-EXEMPT REVENUE BONDS, SERIES 2021A
(SETON EDUCATION PARTNERS –BRILLA PROJECT)

$650,000
BUILD NYC RESOURCE CORPORATION
TAXABLE REVENUE BONDS, SERIES 2021B
(SETON EDUCATION PARTNERS –BRILLA PROJECT)

Dated: Date of Issuance

Due: November 1, as shown on the inside front cover

The above-referenced Build NY Resource Corporation Tax-Exempt Revenue Bonds, Series 2021A (Seton Education Partners – Brilla Project) (the "Series 2021A Bonds") and Taxable Revenue Bonds, Series 2021B (Seton Education Partners – Brilla Project) (the "Series 2021B Bonds" and, together with the Series 2021A Bonds, the "Series 2021 Bonds") are special limited revenue obligations of Build NYC Resource Corporation (the "Issuer") payable exclusively from the Trust Estate as described in this Limited Offering Memorandum. Undefined capitalized terms on this cover are defined in the text hereof or in APPENDIX D, APPENDIX E or APPENDIX F of this Limited Offering Memorandum.

The Series 2021 Bonds are special limited revenue obligations of the Issuer, payable as to principal, Redemption Price and interest, from and secured by (i) certain unconditional payments to be made by the Institution (as defined herein) pursuant to the Loan Agreement, dated as of November 1, 2021 (the "Loan Agreement"), between Seton Education Partners, a Wyoming not-for-profit corporation (the "Institution") and the Issuer, (ii) a pledge of certain funds and accounts established under the Indenture of Trust, dated as of November 1, 2021 (the "Bond Indenture"), between the Issuer and The Bank of New York Mellon, New York, New York, as trustee (the "Trustee"), and (iii) leasehold mortgage liens on and security interests in the Mortgaged Property (as defined herein), including the Facilities (as defined herein). Neither the State of New York (the "State") nor any political subdivision thereof, including The City of New York, New York (the "City"), shall be obligated to pay the principal or Redemption Price of, or the interest on, the Series 2021 Bonds. That certain Master Trust Indenture and Security Agreement dated as of November 1, 2021 between the Institution and the Bank of New York Mellon, as Master Trustee (the "Master Trust Indenture"), as supplemented by Supplemental Master Trust Indenture Number 1 dated as of November 1, 2021 between the Institution and the Bank of New York Mellon, as Master Trustee (the "Supplemental Indenture"; the Master Trust Indenture and the Supplemental Indenture, the "Master Indenture") and that certain Master Covenant Agreement dated as of November 1, 2021 by and among the Institution, Brilla College Preparatory Charter Schools, and the Bank of New York Mellon (the "Master Covenant Agreement") sets forth certain covenants and obligations of the Institution with respect to the Master Notes (as defined herein) and the Series 2021 Bonds. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, including the City, is pledged to the payment of the Series 2021 Bonds. The Series 2021 Bonds will not be payable out of any funds of the Issuer other than those pledged therefor pursuant to the Bond Indenture. The Series 2021 Bonds will not give rise to a pecuniary liability or charge against the credit or taxing powers of the State or any political subdivision thereof, including the City. No recourse will be had for the payment of the principal of, or the interest on, the Series 2021 Bonds against any member, officer, director, employee or agent of the Issuer. The Issuer has no taxing power.

The Series 2021 Bonds will be issued by the Issuer pursuant to the Bond Indenture. The Series 2021 Bonds will be payable from (i) amounts held by the Trustee under the Bond Indenture; and (ii) loan payments to be made by the Institution under the Loan Agreement. The obligation of the Institution to make such payments is secured by the Master Indenture, under which the Institution is obligated to make payments on the promissory notes issued pursuant thereto according to the terms thereof. The Institution's obligations under the Loan Agreement will be secured by two promissory notes, each in the principal amount of the respective series of the Series 2021 Bonds, each dated November 23, 2021, from the Institution to the Issuer and endorsed to the Trustee issued pursuant the Master Indenture (together, the "Master Notes") The Master Notes will constitute Debt under the Master Indenture and will be secured equally and ratably with all other obligations issued or to be issued under the Master Indenture (other than any Debt issued as Subordinate Debt) by the pledge and assignment of a security interest in the Master Trust Estate (as defined herein) of the Institution, including, without limitation, the Pledged Revenues of the Institution, the funds established under the Master Indenture and by the Mortgage (as defined herein). The Institution has entered into subleases (the "Subleases"), with Brilla College Preparatory Charter Schools, a New York not-for-profit education corporation (the "School") whereby the School leases the Facilities from the Institution. Rent payable to the Institution under the Subleases are expected to be in amounts sufficient to pay loan payments under the Loan Agreement. The Institution and the School have made certain covenants pursuant to the Master Covenant Agreement. See "THE PROJECT AND PLAN OF FINANCE," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS," and "APPENDIX J" in this Limited Offering Memorandum.

Proceeds derived from the sale of the Series 2021 Bonds will be used by the Institution, along with other available funds (a) to refinance two loans in the aggregate outstanding amount of approximately $10,916,553, which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the Brilla Pax Elementary ("BPE") and Brilla Caritas Elementary ("BCE") schools (the "Andrews Avenue North Facility"), (b) to refinance a loan in the outstanding amount of approximately $2,115,854, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as the site for the Brilla College Prep Middle ("BCPM") school (the "Courtlandt Avenue Facility"), (c) to refinance a loan in the outstanding amount of approximately $2,630,011, which loan financed leasehold improvements in 28,478 square feet of space in a building located in 413 East 144th Street, Bronx, NY, which currently serves as the site for the Brilla College Prep Elementary ("BCPE") school (the "East 144th Street Facility"), (d) to fund a debt service reserve fund for the Series 2021A Bonds and Series 2021B Bonds, and (e) to pay for certain costs and expenses associated with the issuance of the Bonds. See "THE PROJECT AND PLAN OF FINANCE" and "THE SERIES 2021 BONDS" in this Limited Offering Memorandum.

Interest on the Series 2021 Bonds will be payable on May 1 and November 1 of each year, commencing May 1, 2022. The Series 2021 Bonds will be issued as fully registered bonds in the minimum authorized denomination of $100,000 or any integral multiple of $5,000 in excess thereof in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of the Series 2021 Bonds will be made in book-entry form only. Purchasers of beneficial interests will not receive physical certificates. The Series 2021 Bonds are subject to redemption as described in this Limited Offering Memorandum. See "THE SERIES 2021 BONDS" in this Limited Offering Memorandum. An investment in the Series 2021 Bonds is subject to certain risks. See "RISK FACTORS" in this Limited Offering Memorandum. Investors must read the entire Limited Offering Memorandum, including the Appendices hereto.

Investment in the Series 2021 Bonds involves a significant degree of risk and is speculative in nature as described under "RISK FACTORS" herein and under other sections of this Limited Offering Memorandum.

THE SERIES 2021 BONDS MAY BE PURCHASED ONLY BY "QUALIFIED INSTITUTIONAL BUYERS" OR "ACCREDITED INVESTORS" AS SUCH TERMS ARE DEFINED HEREIN. SEE "INVESTOR SUITABILITY STANDARDS" IN THIS LIMITED OFFERING MEMORANDUM.

SEE THE INSIDE FRONT COVER FOR THE MATURITY SCHEDULE FOR THE SERIES 2021 BONDS

The Series 2021 Bonds are offered, subject to prior sale, when, as and if accepted by RBC Capital Markets, LLC (the "Underwriter") and subject to an opinion as to the validity of the Series 2021 Bonds and the tax-exempt status of the Series 2021A Bonds by Nixon Peabody LLP, New York, New York, Bond Counsel to the Issuer, and to the approval of certain legal matters for the Issuer by its General Counsel, for the Institution and School by its special counsel, Hunton Andrews Kurth, LLP, Austin, Texas, and for the Underwriter by its counsel, Arent Fox LLP, Washington, DC, and certain other conditions. It is expected that delivery of the Series 2021 Bonds will be made on or about November 23, 2021 through the facilities of DTC.

RBC Capital Markets

This Limited Offering Memorandum is dated November 10, 2021.

MATURITY SCHEDULE

BUILD NYC RESOURCE CORPORATION

$14,595,000
TAX-EXEMPT REVENUE BONDS, SERIES 2021A
(SETON EDUCATION PARTNERS – BRILLA PROJECT)

$2,535,000 4.000% Series 2021A Term Bond due November 1, 2031, Price of 115.699 to Yield 2.230%., CUSIP No. 12008E SF 4*

$5,805,000 4.000% Series 2021A Term Bond due November 1, 2041, Price of 112.564† to Yield 3.147%. CUSIP No. 12008E SG 2*

$6,255,000 4.000% Series 2021A Term Bond due November 1, 2051, Price of 110.988† to Yield 3.411%. CUSIP No. 12008E SH 0*

$650,000
TAXABLE REVENUE BONDS, SERIES 2021B
(SETON EDUCATION PARTNERS – BRILLA PROJECT)

$650,000 3.625% Series 2021B Term Bond due November 1, 2025, Price of 100.000. CUSIP No. 12008E SJ 6*

† Priced to first call date of November 1, 2031.

No person has been authorized by the Issuer, the Underwriter, the Institution or the School to give any information regarding the Series 2021 Bonds, the Institution, the School, the Project, the offering contained herein and related matters or to make any representations other than those contained in this Limited Offering Memorandum and if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy in any state in which it is unlawful for any person to make such offer or solicitation. The information contained in this Limited Offering Memorandum has been furnished by or on behalf of the Issuer, the Institution and the School and other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

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

Neither the Issuer nor any of its members, agents, employees or representatives has reviewed this Limited Offering Memorandum or investigated the statements or representations contained herein, except for those statements relating to the Issuer set forth under the captions "THE ISSUER" and "LITIGATION - The Issuer." Except with respect to the information contained under such captions, neither the Issuer nor any of its members, agents, employees or representatives makes any representation as to the completeness, sufficiency and truthfulness of the statements set forth in this Limited Offering Memorandum. Members of the governing body of the Issuer and any other person executing the Series 2021 Bonds are not subject to personal liability by reason of the issuance of the Series 2021 Bonds. Other than the information under the caption "THE ISSUER" and "LITIGATION - The Issuer," the Issuer assumes no responsibility for this Limited Offering Memorandum and has not reviewed or undertaken to verify any information contained herein.

References in this Limited Offering Memorandum to State law, the Series 2021 Bonds, the Bond Indenture, the Master Indenture, the Loan Agreement, the Covenant Agreement, the Mortgage, the Continuing Disclosure Agreement, and other documents do not purport to be complete. Potential investors should refer to such statutes and documents for full and complete details of their provisions. Copies of such documents are on file with the Trustee and the Institution.

The Chancellor of the City School District of the City of New York (the "Chancellor") has not participated in the preparation of this Limited Offering Memorandum or any other disclosure documents relating to the Series 2021 Bonds. The Chancellor does not assume any responsibility as to the accuracy or completeness of any information contained in this Limited Offering Memorandum or any other such disclosure documents.

THE SERIES 2021 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND NEITHER THE INDENTURE NOR THE MASTER INDENTURE HAS BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2021 BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH SERIES 2021 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2021 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

STATEMENTS OR IN THE PROJECTIONS. THE SCHOOL DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS OR TO THE PROJECTIONS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS OR FORECASTS ARE BASED, OCCUR.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO AND INFORMATION INCORPORATED HEREIN BY REFERENCE, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO AND INFORMATION INCORPORATED HEREIN BY REFERENCE, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2021 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE LIMITED OFFERING MEMORANDUM.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INSTITUTION, THE SCHOOL AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2021 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SERIES 2021 BONDS ARE TO BE PURCHASED FOR INVESTMENT ONLY. THE SERIES 2021 BONDS MAY NOT BE SOLD, PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS OR ACCREDITED INVESTORS. FOR CERTAIN RESTRICTIONS ON RESALE, SEE "TRANSFER RESTRICTIONS" HEREIN. THE SERIES 2021 BONDS WILL NOT BE TRANSFERABLE EXCEPT TO HOLDERS THAT ARE QUALIFIED INSTITUTIONAL BUYERS OR ACCREDITED INVESTORS. SEE "TRANSFER RESTRICTIONS" IN THIS LIMITED OFFERING MEMORANDUM. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

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SUMMARY INFORMATION

The following is a summary of certain information contained in this Limited Offering Memorandum. The summary is not comprehensive or complete and is qualified in its entirety by reference to the complete Limited Offering Memorandum (including the Appendices hereto). This Limited Offering Memorandum speaks only as of the date shown herein, and the information herein is subject to change. Undefined capitalized terms used below are defined in APPENDIX D, APPENDIX E or APPENDIX F hereto or elsewhere in this Limited Offering Memorandum.

Issuer	Build NYC Resource Corporation (the "Issuer") is a not-for-profit local development corporation created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York (the "NFP Corporation Law"), and is authorized by the NFP Corporation Law to issue the Series 2021 Bonds. See "THE ISSUER" in this Limited Offering Memorandum.
Institution	Seton Education Partners (the "Institution") is a Wyoming not-for-profit corporation, and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). See "THE INSTITUTION" and "APPENDIX A" in this Limited Offering Memorandum.
School	Brilla College Preparatory Charter Schools is a New York not-for-profit education corporation, exempt from federal taxation pursuant to Section 501(c)(3) of the Code. The School operates five public charter schools under four separate charters, and currently serves more than 1,600 students in grades K-8. See "THE SCHOOL" and "APPENDIX A" in this Limited Offering Memorandum. See also "CHARTER SCHOOL FUNDING IN THE STATE OF NEW YORK" and "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW" in this Limited Offering Memorandum.
Series 2021 Bonds	The Issuer is issuing its Tax-Exempt Revenue Bonds, Series 2021A (Seton Education Partners – Brilla Project) (the "Series 2021A Bonds"), in the original aggregate principal amount of $14,595,000 and its Taxable Revenue Bonds, Series 2021B (Seton Education Partners – Brilla Project) (the "Series 2021B Bonds" and, together with the Series 2021A Bonds, the "Series 2021 Bonds"), in the original aggregate principal amount of $650,000 pursuant to an Indenture of Trust, dated as of November 1, 2021 (the "Bond Indenture"), between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee"). The Issuer will loan the proceeds derived from the sale of the Series 2021 Bonds to the Institution pursuant to the terms of a Loan Agreement, dated as of November 1, 2021 (the "Loan Agreement"), between the Issuer and the Institution.

The Series 2021 Bonds will be issued in minimum authorized denominations of $100,000 or any integral multiples of $5,000 in excess thereof ("Authorized Denominations"). See "THE SERIES 2021 BONDS" in this Limited Offering Memorandum.

Plan of Finance and Use of Proceeds

Proceeds of the Series 2021 Bonds will be used by the Institution, along with other available funds a) to refinance two loans in the aggregate outstanding amount of approximately $10,916,553, which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the BPE and BCE schools (the "Andrews Avenue North Facility"), (b) to refinance a loan in the outstanding amount of approximately $2,115,854, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as the site for the BCPM school (the "Courtlandt Avenue Facility"), (c) to refinance a loan in the outstanding amount of approximately $2,630,011, which loan financed leasehold improvements in 28,478 square feet of space in a building located in 413 East 144th Street, Bronx, NY, which currently serves as the site for the BCPE school (the "East 144th Street Facility"), (d) to fund a debt service reserve fund for the Series 2021A Bonds and Series 2021B Bonds, and (e) to pay for certain costs and expenses associated with the issuance of the Bonds; See "THE PROJECT AND PLAN OF FINANCE," "SOURCES AND USES OF FUNDS" and "APPENDIX A" in this Limited Offering Memorandum.

Security for the Series 2021 Bonds

The Series 2021 Bonds will be secured by and payable from an assignment and pledge of (i) all money held under the Bond Indenture, including the Series 2021 Bond proceeds initially deposited in the Debt Service Reserve Fund for the Series 2021A Bonds and Series 2021B Bonds, (ii) the Master Notes secured by and payable from the assets held under the Master Indenture, (iii) the interest of the Issuer in the Loan Agreement (except for the Issuer's Reserved Rights), and (iv) loan payments due from the Institution under the Loan Agreement.

The obligation of the Institution to make such payments is secured by that certain Master Trust Indenture and Security Agreement dated as of November 1, 2021 (the "Master Trust Indenture"), as supplemented by Supplemental Master Trust Indenture Number 1 dated as of November 1, 2021 (the "Supplemental Indenture"; the Master Trust Indenture and the Supplemental Indenture, collectively, the "Master Indenture") under which the Institution is obligated to make payments on the promissory notes issued pursuant thereto according

to the terms thereof. The Institution's obligations under the Loan Agreement will be secured by two promissory notes, each in the principal amount of the respective series of the Series 2021 Bonds, dated November 23, 2021, from the Institution to the Issuer and endorsed to the Trustee issued pursuant the Master Indenture (together, the "Master Notes"). The Master Notes will constitute Debt under the Master Indenture and will be secured equally and ratably with all other obligations issued or to be issued under the Master Indenture (other than any Debt issued as Subordinate Debt) by the pledge and assignment of a security interest in the Master Trust Estate, including, without limitation, the Pledged Revenues of the Institution, the funds established under the Master Indenture and by the Mortgage (as defined herein). The Institution and the School have made certain covenants pursuant to that certain Master Covenant Agreement dated as of November 1, 2021 by and among the Institution, the School, and the Master Trustee (the "Master Covenant Agreement").

The Institution leases the Facilities (as defined herein) from certain churches of the Archdiocese of New York pursuant to (a) that certain Lease between the Institution and Roman Catholic Church of St. Nicholas of Tolentine, dated as of October 1, 2019 (as amended, the "Andrews Avenue North Lease"), (b) that certain Lease between the Institution and Roman Catholic Church of Saint Rita of Cascia and Saint Pius V, successor by merger to Church of St. Pius, Borough of Bronx, N.Y. City, dated as of January 17, 2013 (as amended, the "East 144th Street Lease"), and (c) that certain Lease between the Institution and Roman Catholic Church of Saint Rita of Cascia and Saint Pius V, successor by merger to Church of St. Pius, Borough of Bronx, N.Y. City, dated as of August 1, 2016, as amended (the "500 Courtlandt Avenue Lease, and together with the East 144th Street Lease and the Andrews Avenue North Lease, collectively, the "Leases").

The Institution subleases the Facilities to the School pursuant to individual Subleases. Rent payable to the Institution by the School under the Subleases is expected to be sufficient to enable the Institution to pay rent under its Leases, debt service for the Series 2021 Bonds and pay other costs, and make required deposits, for the 2021 Bonds pursuant to the Loan Agreement. Pursuant to the Mortgage, as security for all Debt issued under the Master Indenture, the Institution will assign and pledge to the Master Trustee all of the Institution's interest in and to the Subleases, including all of its rights, title and interest in all rents, income, receipts, revenue and profits arising from the Subleases. Pursuant to the Master Covenant Agreement, the School will pay all

amounts of rent payable under the Subleases directly to the Revenue Fund under the Master Indenture to be applied toward debt service on all Related Bonds, including the Series 2021 Bonds.

The Institution will enter into (i) the Assignment of Leases and Rents (Andrews Avenue North Facility), (ii) the Assignment of Leases and Rents (Courtlandt Avenue Facility), and (iii) the Assignment of Leases and Rents (East 144th Street Facility) (collectively, the "Assignment") pursuant to which the Institution will assign its interest in the Leases to the Issuer and Master Trustee.

The New York State Charter Schools Act (the "Charter Schools Act") prohibits the School from pledging or assigning Education Aid Payments (as defined herein), and other amounts payable by the New York State Department of Education (the "Department of Education") to the School in connection with the construction, acquisition, reconstruction, rehabilitation, or improvement of a school facility.

As security for the Debt issued under the Master Indenture, the Institution will grant mortgage liens on and security interests in the Institution's leasehold interest in the Mortgaged Property, including the Institution's leasehold interest in the Andrews Avenue North Facility pursuant to the Leasehold Mortgage and Security Agreement related to the Andrews Avenue North Facility, the Institution's leasehold interest in the Courtlandt Avenue Facility pursuant to the Leasehold Mortgage and Security Agreement related to the Courtlandt Avenue Facility, and the East 144th Street Facility pursuant to the Leasehold Mortgage and Security Agreement related to the East 144th Street Facility, each dated as of November 1, 2021 (collectively, the "Mortgage"), and each to be executed by the Institution in favor of the Issuer and the Master Trustee, as assigned by the Issuer to the Master Trustee under the terms of an Assignment of Leasehold Mortgage and Security Agreement (Andrews Avenue North) related to the Andrews Avenue North Facility, an Assignment of Leasehold Mortgage and Security Agreement related to the Courtlandt Avenue Facility (Courtlandt Avenue), and an Assignment of Leasehold Mortgage and Security Agreement related to the East 144th Street Facility (East 144th Street), each dated as of the date of issuance of the Series 2021 Bonds (collectively, the "Assignment of Mortgage").

Pursuant to a Master Covenant Agreement, dated as of November 1, 2021 (the "Master Covenant Agreement"), between the School, the Institution, and the Master Trustee, the School will make certain covenants for the benefit of the Master Trustee, including that the School will comply with

the terms of the Subleases, for the benefit of the holder of the Master Notes and any additional Debt issued under the Master Indenture.

There will be established under the Bond Indenture a Debt Service Reserve Fund for the Series 2021A Bonds and Series 2021B Bonds and, within such Fund, a Series 2021A Debt Service Reserve Account into which the Trustee shall initially deposit an amount equal to $969,400, and a Series 2021B Debt Service Reserve Account into which the Trustee shall initially deposit an amount equal to $65,000 (collectively, the initial "Debt Service Reserve Fund Requirement" for the Series 2021 Bonds). Amounts in the Debt Service Reserve Fund may be used by the Trustee only to pay principal, Sinking Fund Installments and interest on the corresponding Series of Series 2021 Bonds in the event that monies provided in the Bond Fund under the Bond Indenture are not sufficient.

See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS" in this Limited Offering Memorandum.

Special, Limited Obligations

THE SERIES 2021 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE AND INTEREST, SOLELY FROM THE TRUST ESTATE. NEITHER THE STATE OF NEW YORK (THE "STATE") NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF NEW YORK, NEW YORK (THE "CITY") SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2021 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 2021 BONDS. THE SERIES 2021 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE BOND INDENTURE. THE SERIES 2021 BONDS WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2021 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR,

	EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.
Risk Factors	Purchase of the Series 2021 Bonds involves a degree of risk. A prospective purchaser of the Series 2021 Bonds is advised to read this entire Limited Offering Memorandum including the Appendices attached hereto in their entirety, particularly the section entitled "RISK FACTORS" in this Limited Offering Memorandum, for a discussion of certain risk factors, which should be considered in connection with an investment in the Series 2021 Bonds.
Optional Redemption	The Series 2021A Bonds maturing after November 1, 2031 are subject to optional redemption, on or after November 1, 2031, in whole or in part at any time (but if in part in integral multiples of $5,000 and in the minimum principal amount of $100,000), at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement), at redemption prices as set forth in this Limited Offering Memorandum plus accrued interest to the date of redemption. See "THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds – General Optional Redemption" in this Limited Offering Memorandum. The Series 2021B Bonds are not subject to optional redemption.
Mandatory Redemption	The Series 2021 Bonds are also subject to mandatory sinking fund redemption as set forth in this Limited Offering Memorandum. See "THE SERIES 2021 BONDS - Redemption of Series 2021 Bonds – Mandatory Sinking Fund Installment Redemption" in this Limited Offering Memorandum.
Extraordinary Mandatory Redemption	Under certain circumstances, the Series 2021 Bonds are also subject to redemption prior to maturity upon the occurrence of certain events. See "THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds – Mandatory Redemption from Excess Proceeds and Certain Other Amounts", "– Extraordinary 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", "–Mandatory Redemption Upon Termination of any Lease or any Sublease" and "– Mandatory Taxability Redemption" in this Limited Offering Memorandum.
Purchase in Lieu of Optional Redemption	In lieu of calling the Series 2021 Bonds for optional redemption, the Series 2021 Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer,

upon the direction of the Institution, in whole or in part (and, if in part, in such manner as determined by the Institution) on any date on or after November 1 , 2031, at a purchase price equal to the applicable Redemption Price for any optional redemption of such Series 2021 Bonds, plus accrued interest to the purchase date, as described in "THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds – *Purchase in Lieu of Optional Redemption*" in this Limited Offering Memorandum.

Exchange and Transfer

While the Series 2021 Bonds remain in book-entry only form, transfer of ownership by Beneficial Owners may be made as described in "THE SERIES 2021 BONDS" and "APPENDIX K – BOOK-ENTRY ONLY SYSTEM" in this Limited Offering Memorandum.

Payment

Interest accrues on the Series 2021 Bonds at the rates set forth on the inside front cover of this Limited Offering Memorandum from their date of issuance and is payable on November 1 and May 1 of each year, commencing May 1, 2022 (or, if any such day is not a Business Day, the immediately succeeding Business Day, each an "Interest Payment Date"). The Series 2021 Bonds mature as set forth on the inside front cover of this Limited Offering Memorandum. Interest on and the principal of the Series 2021 Bonds is payable as described under the heading "THE SERIES 2021 BONDS – Interest; Maturity; Payment" and "THE SERIES 2021 BONDS – Redemption of Series 2021 Bonds – Mandatory Sinking Fund Installment Redemption" in this Limited Offering Memorandum.

Form

The Series 2021 Bonds will be registered under a book-entry system in the name of The Depository Trust Company ("DTC") or its nominees. See "THE SERIES 2021 BONDS" in this Limited Offering Memorandum.

Tax Status

In the opinion of Nixon Peabody LLP, New York, New York, Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, and the accuracy of certain representations and certifications made by the Issuer, the Institution and the School described herein, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel is also of the opinion that interest on the Series 2021A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed under the Code. Bond Counsel is further of the opinion that interest on the Series 2021A Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision of the State of New York, including The City of New York. Interest on the Series 2021B Bonds is not

	excluded from gross income for federal income tax purposes and is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS – SERIES 2021A BONDS" and "TAX MATTERS – SERIES 2021B BONDS" herein regarding certain other tax considerations.
Continuing Disclosure	Pursuant to the requirements of Securities and Exchange Commission Rule 15c2-12 (17 CFR Part 240, § 240.15c2-12) (the "Rule"), the Institution and the School have agreed for the benefit of the Registered Owners and Beneficial Owners of the Series 2021 Bonds to provide certain financial information, other operating data and notices of material events. The Institution and the School have not been subject to any prior continuing disclosure undertaking under the Rule. See "CONTINUING DISCLOSURE," and "APPENDIX I – FORM OF CONTINUING DISCLOSURE AGREEMENT" in this Limited Offering Memorandum.
Delivery Information	The Series 2021 Bonds are offered when, as, and if issued by the Issuer and accepted by the Underwriter, subject to prior sale and the approving legal opinion of Bond Counsel and certain other conditions. It is expected that delivery of the Series 2021 Bonds will be made on or about November 23, 2021 through the facilities of DTC in New York, New York, against payment therefor.
Legal Counsel, Underwriter and Trustee	Nixon Peabody LLP, New York, New York, is acting as Bond Counsel. Certain legal matters will be passed upon for the Institution and the School by its special counsel, Hunton Andrews Kurth LLP, Austin, Texas, and for the Underwriter by its counsel, Arent Fox LLP, Washington, DC. RBC Capital Markets, LLC, New York, New York will serve as the Underwriter for the Series 2021 Bonds. See "UNDERWRITING" in this Limited Offering Memorandum. The Bank of New York Mellon, New York, New York, will serve as the Trustee and the Paying Agent for the Series 2021 Bonds and will serve as Master Trustee under the Master Indenture. Certain fees that are payable with respect to the Series 2021 Bonds to various counsel, the Underwriter, the Trustee and Master Trustee are contingent upon the issuance and delivery of the Series 2021 Bonds.
Additional Information	The summaries of or references to constitutional provisions, statutes, resolutions, agreements, contracts, financial statements, reports, publications and other documents or compilations of data or information set forth in this Limited Offering Memorandum do not purport to be complete statements of the provisions of the items summarized or referred to and are qualified in their entirety by the actual provisions of such items, copies of which are either publicly

	available or available upon request and the payment of a reasonable copying, mailing and handling charge from the Underwriter, 300 Conshohocken State Road, Suite 760, West Conshohocken, Pennsylvania 19428, or the Trustee, 240 Greenwich Street, New York, New York 10286, Attention: Corporate Trust Administration.
Audited Financial Statements	The audited financial statements of the School for the fiscal year ended June 30, 2021 are included in this Limited Offering Memorandum as APPENDIX C-1. The financial statements in APPENDIX C-1 were audited by Mengel Metzger Barr & Co, LLP, Rochester, New York. See "APPENDIX C-1 - AUDITED FINANCIAL STATEMENTS OF BRILLA COLLEGE PREPARATORY SCHOOLS FOR THE FISCAL YEAR ENDED JUNE 30, 2021" in this Limited Offering Memorandum. The audited financial statements for the Institution for the years ended June 30, 2020 and June 30, 2019 are included in this Limited Offering Memorandum as APPENDIX C-2. The financial statements in APPENDIX C-2 were audited by D.K. Weiss, Holt & Associates, PLLC. See "APPENDIX C-2 - AUDITED FINANCIAL STATEMENTS OF SETON EDUCATION PARTNERS FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019" in this Limited Offering Memorandum.
Projections	The Financial Projections (the "Projections") in "APPENDIX A – BRILLA'S FINANCIAL PROJECTIONS" are projections of the future financial performance of the School based upon certain assumptions made by the School and contained therein. The Projections will not be updated to reflect final pricing of the Series 2021 Bonds. NO ASSURANCES CAN BE GIVEN THAT THE OPERATIONS OF THE SCHOOL WILL EQUAL OR EXCEED THE PROJECTED FUTURE FINANCIAL PERFORMANCE SET FORTH IN THE PROJECTIONS. The Projections are for the five fiscal years of the School ending June 30, 2022 through June 30, 2026.
Permitted Investors	THE SERIES 2021 BONDS MAY BE PURCHASED ONLY BY "QUALIFIED INSTITUTIONAL BUYERS" OR "ACCREDITED INVESTORS" AS SUCH TERMS ARE DEFINED HEREIN. SEE "INVESTOR SUITABILITY STANDARDS" HEREIN.

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LIMITED OFFERING MEMORANDUM

BUILD NYC RESOURCE CORPORATION

$14,595,000	**$650,000**
TAX-EXEMPT REVENUE BONDS	**TAXABLE REVENUE BONDS**
SERIES 2021A	**SERIES 2021B**
(SETON EDUCATION PARTNERS – BRILLA PROJECT)	**(SETON EDUCATION PARTNERS – BRILLA PROJECT)**

INTRODUCTORY STATEMENT

The following is a brief introduction as to certain matters discussed elsewhere in this Limited Offering Memorandum and is qualified in its entirety as to such matters by such discussion and the text of the actual documents described or referenced. Capitalized terms not defined herein have the meanings assigned in APPENDIX D, APPENDIX E or APPENDIX F or the documents with respect to which the term is used. Definitions contained in the text hereof are for ease of reference only and are qualified in their entirety by the definitions in APPENDIX D, APPENDIX E, APPENDIX F or the documents with respect to which such terms relate. The Appendices to this Limited Offering Memorandum are an integral part of this Limited Offering Memorandum and each potential investor should review the Appendices in their entirety.

General

Build NYC Resource Corporation, a not-for-profit local development corporation created pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York (the "Issuer"), will issue its Tax-Exempt Revenue Bonds, Series 2021A (Seton Education Partners - Brilla Project) (the "Series 2021A Bonds"), in the original aggregate principal amount of $14,595,000 and its Taxable Revenue Bonds, Series 2021B (Seton Education Partners – Brilla Project) (the "Series 2021B Bonds" and, together with the Series 2021A Bonds, the "Series 2021 Bonds"), in the original aggregate principal amount of $650,000, pursuant to an Indenture of Trust, dated as of November 1, 2021 (the "Bond Indenture"), between the Issuer and The Bank of New York Mellon, as trustee (the "Trustee"). The Issuer will loan the proceeds of the Series 2021 Bonds (the "Loan") to Seton Education Partners, a Wyoming not-for-profit corporation (the "Institution") and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), pursuant to a Loan Agreement, dated as of November 1, 2021 (the "Loan Agreement"), between the Issuer and the Institution. Brilla College Preparatory Charter Schools, a New York not-for-profit education corporation (the "School") and an organization described in Section 501(c)(3) of the Code, assumes certain provisions of the Loan Agreement pursuant to a Use Agreement, dated November 1, 2021 (the "Use Agreement"). See "APPENDIX F - FORM OF LOAN AGREEMENT" in this Limited Offering Memorandum.

Proceeds of the Series 2021 Bonds will be used by the Institution, along with other available funds (a) to refinance two loans in the aggregate outstanding amount of approximately $10,916,553, which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the BPE and BCE schools (the "Andrews Avenue North Facility"), (b) to refinance a loan in the outstanding amount of approximately $2,115,854, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as the site for the BCPM school (the "Courtland Avenue Facility"), (c) to refinance a loan in the outstanding amount of approximately $2,630,011, which loan financed leasehold improvements in 28,478 square feet of space in a building located in 413 East 144th Street, Bronx, NY, which currently serves as the site for the BCPE school (the "East 144th Street Facility"),

(d) to fund a debt service reserve fund for each of the Series 2021A Bonds and Series 2021B Bonds, and (e) to pay for certain costs and expenses associated with the issuance of the Bonds (the "Project"). See "THE PROJECT AND PLAN OF FINANCE," "SOURCES AND USES OF FUNDS" and "APPENDIX A" in this Limited Offering Memorandum.

The School and the Institution have entered into subleases shown on "APPENDIX J" attached hereto (the "Subleases"). Rent payable to the Institution by the School under the Subleases will be sufficient for the Institution to pay loan payments under the Loan Agreement.

Pursuant to (i) a Master Covenant Agreement, dated as of November 1, 2021 (the "Master Covenant Agreement"), among the School, the Master Trustee and the Institution and (ii) a Use Agreement, dated as of November 1, 2021 (the "Use Agreement"), between the Issuer, the Trustee, and the School, the School will make certain covenants for the benefit of the Trustee and the Master Trustee, including that the School will comply with the terms of the Subleases, for the benefit of the holders of the Series 2021 Bonds and any Additional Bonds issued under the Bond Indenture.

Loan of Series 2021 Bond Proceeds; Mortgage and Other Security

Proceeds of the Series 2021 Bonds will be loaned by the Issuer to the Institution pursuant to the Loan Agreement, and the Series 2021 Bonds will be payable from and secured by a pledge of payments to be made by the Institution under the Loan Agreement and promissory notes from the Institution to the Issuer and endorsed to the Trustee pursuant the terms of the Loan Agreement (together, the "Series 2021 Notes"), which, if fully and promptly paid, will be sufficient to pay when due the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Series 2021 Bonds. Pursuant to the terms of the Master Covenant Agreement, the School will pay all rent payments under the Subleases directly to the Revenue Fund under the Master Indenture to be applied toward debt service on all Related Bonds, including the Series 2021 Bonds. Such payment of rent by the School to the Institution under the Subleases and during the term of such Subleases which expire prior to the maturity date of the Series 2021 Bonds is anticipated to be sufficient to make all payments required to be made by the Institution under the Loan Agreement. The Charter Schools Act prohibits the School from pledging or assigning Education Aid Payments (as defined herein), and other amounts payable by the New York State Department of Education (the "Department of Education") to the School in connection with the construction, acquisition, reconstruction, rehabilitation, or improvement of a school facility.

As security for Debt issued under the Master Indenture, including the Master Notes, the Institution will grant a lien on its leasehold interest in the Facilities pursuant to a Leasehold Mortgage and Security Agreement related to the Andrews Avenue North Facility, a Leasehold Mortgage and Security Agreement related to the Courtlandt Avenue Facility, a Leasehold Mortgage and Security Agreement related to the East 144th Street Facility, each dated as of November 1, 2021 (collectively, the "Mortgage"), and each to be executed by the Institution in favor of the Issuer and the Master Trustee, as assigned by the Issuer to the Master Trustee under the terms of an Assignment of Leasehold Mortgage and Security Agreement (Andrews Avenue North) related to the Andrews Avenue North Facility, an Assignment of Leasehold Mortgage and Security Agreement related to the Courtlandt Avenue Facility (Courtlandt Avenue), and an Assignment of Leasehold Mortgage and Security Agreement related to the East 144th Street Facility (East 144th Street) (collectively, the "Assignment of Mortgage"). The Institution will cause the Master Trustee to deliver the Master Notes to the Trustee, to provide payment for, and secure the holder of the Master Notes and any additional Debt issued under the Master Indenture. The Master Notes will constitute Debt under the Master Indenture and will be secured equally and ratably with all other obligations issued or to be issued under the Master Indenture (other than any Debt issued as Subordinate Debt) by (a) the pledge and assignment of a security interest in the Master Trust Estate of the Institution, including, without limitation, the Pledged Revenues of the Institution and the funds established under the Master Indenture and (b) a lien on the real property and other personal property of the Institution as described in any

Leasehold Mortgage to certain trustees for the benefit of the Master Trustee. See "APPENDIX F - FORM OF LOAN AGREEMENT" and "APPENDIX G - FORM OF MORTGAGE" in this Limited Offering Memorandum.

Pursuant to the Bond Indenture, the Issuer will pledge to the Trustee, for the benefit of the holders of the Series 2021 Bonds, all of its interest in the Loan Agreement (other than the Issuer's Reserved Rights) to secure payment of the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Series 2021 Bonds. Pursuant to the Mortgage, the payment of the principal of, Sinking Fund Installments for, redemption premium, if any, and interest on the Series 2021 Bonds will be secured by a mortgage lien on and security interest in the Institution's leasehold interest in the Facility, subject to certain "Permitted Encumbrances" described in the Mortgage. Pursuant to the Mortgage, the Institution will assign and pledge all of its interest in the Sublease and the rent payments to the Master Trustee as security for all Debt issued under the Master Indenture including the Master Notes. The obligation of the Institution to make loan payments under the Loan Agreement is an absolute and unconditional obligation of the Institution. However, the Institution will not have any other sources of revenue other than rent payments received from the School under the Subleases, and the ability of the Institution to generate additional revenues is limited in the event that the Education Aid Payments received by the School are not sufficient to enable the Institution to make the required loan payments under the Loan Agreement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS" and "APPENDIX E - FORM OF BOND INDENTURE" in this Limited Offering Memorandum.

Leases and Assignment

The Institution leases the Facilities (as defined herein) from certain churches of the Archdiocese of New York pursuant to (a) that certain Lease between the Institution and Roman Catholic Church of St. Nicholas of Tolentine, dated as of October 1, 2019 (as amended, the "Andrews Avenue North Lease"), (b) that certain Lease between the Institution and Roman Catholic Church of Saint Rita of Cascia and Saint Pius V, successor by merger to Church of St. Pius, Borough of Bronx, N.Y. City, dated as of January 17, 2013 (as amended, the "East 144th Street Lease"), and (c) that certain Lease between the Institution and Roman Catholic Church of Saint Rita of Cascia and Saint Pius V, successor by merger to Church of St. Pius, Borough of Bronx, N.Y. City, dated as of August 1, 2016, as amended (the "500 Courtlandt Avenue Lease, and together with the East 144th Street Lease and the Andrews Avenue North Lease, collectively, the "Leases").

Subleases

The Institution subleases the Facilities to the School pursuant to individual Subleases. Rent payable to the Institution by the School under the Subleases is expected to be sufficient to enable the Institution to pay rent under its Leases and debt service for the Series 2021 Bonds. Pursuant to the Mortgage, as security for the Master Notes, the Institution will assign and pledge to the Master Trustee all of the Institution's interest in and to the Sublease, including all of its rights, title and interest in all rents, income, receipts, revenue and profits arising from the Sublease. Pursuant to the Master Covenant Agreement, the School will pay all amounts of rent payable under the Subleases directly to the Revenue Fund under the Master Indenture. See "APPENDIX J" in this Limited Offering Memorandum for copies of the Subleases and "APPENDIX A" in this Limited Offering Memorandum for further discussion of the Subleases. The School and the Institution will enter into (i) the Assignment of Leases and Rents (Andrews Avenue North Facility, (ii) the Assignment of Leases and Rents (Courtlandt Avenue Facility), and (iii) the Assignment of Leases and Rents (East 144th Street Facility) (collectively, the "Assignment") pursuant to which the Institution will assign its interest in the Leases to the Master Trustee.

Debt Service Reserve Fund

On the date of the issuance of the Series 2021 Bonds, there will be established under the Bond Indenture a Debt Service Reserve Fund for the Series 2021A Bonds and Series 2021B Bonds and, within such Fund, a Series 2021A Debt Service Reserve Account and a Series 2021B Debt Service Reserve Account, into which the Trustee shall initially deposit an amount equal to $969,400 for the Series 2021A Bonds and $65,000 for the Series 2021B Bonds (collectively, representing the initial "Debt Service Reserve Fund Requirement" for the Series 2021 Bonds). Amounts in each account of the Debt Service Reserve Fund may be used by the Trustee only to pay principal, Sinking Fund Installments and interest on the corresponding Series of the Series 2021 Bonds in the event that monies provided in the Bond Fund under the Bond Indenture are not sufficient.

See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS - Debt Service Reserve Fund" and "APPENDIX E - FORM OF BOND INDENTURE – Custody and Investment of Funds - Debt Service Reserve Fund" in this Limited Offering Memorandum.

Continuing Disclosure

The Institution and the School will agree in the Continuing Disclosure Agreement to provide certain annual financial reports, certain periodic quarterly financial reports and notices of certain other events with respect to the Series 2021 Bonds. See "CONTINUING DISCLOSURE" and "APPENDIX I – FORM OF CONTINUING DISCLOSURE AGREEMENT" in this Limited Offering Memorandum.

Additional Bonds

Pursuant to the Bond Indenture, upon complying with certain prescribed conditions, Additional Bonds may be issued from time to time on the terms and conditions and or the purposes stated in the Indenture. If issued, Additional Bonds will be equally and ratably secured under the Bond Indenture with each other and with the Outstanding Series 2021 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS – Additional Bonds" in this Limited Offering Memorandum.

Additional Debt

Pursuant to the Master Indenture, upon complying with certain prescribed conditions described below, the Institution may issue additional Senior Debt (on parity with the Master Notes) or Subordinate Debt payable from and secured by the Pledged Revenues. Such additional Debt may be issued if the following conditions are met:

(i) Sufficient funds are evidenced as follows: (A) delivery of an Officer's Certificate stating that, for either the Institution's most recently completed Fiscal Year or for any consecutive 12 months out of the most recent 18 months immediately preceding the issuance of the additional Senior Debt or Subordinate Debt, the Pledged Revenues equal at least 1.10 times the Annual Debt Service on all Senior Debt and Subordinate Debt then Outstanding prior the issuance of the additional Senior Debt or Subordinate Debt; and (B) delivery of new or amended Leases reflecting an increase in the aggregate Pledged Revenues payable by Brilla thereunder in each Fiscal Year to an amount equal to at least 1.20 times the projected Annual Debt Service, including the Senior Debt or Subordinate Debt to be incurred. Such calculation shall take into account the Lease Revenues for the Fiscal Year immediately following the completion of the new or improved Participating Campuses, and shall assume that the proposed additional Senior Debt or Subordinate shall have been outstanding for the entire year; or

(ii) In lieu of the requirements described in clause (i) above, the Institution delivers an Officer's Certificate stating that, based on the audited results of the operations for the most recently completed Fiscal

Year, the Pledged Revenues equal at least 1.10 times Maximum Annual Debt Service on all Senior Debt and Subordinate Debt then Outstanding as well as the additional Senior Debt or Subordinate Debt; and

(iii) So long as any Debt is secured by the lien of the Leasehold Mortgage upon any real property of the Institution, the Institution shall obtain and provide to the Master Trustee a new title policy or an endorsement of the title, if permitted by the laws of the State of New York, issued in connection with the Debt increasing the coverage thereunder by an amount equal to the aggregate principal amount of the additional Senior Debt or Subordinate which is secured by the Leasehold Mortgage.

If additional Debt is being issued for the purpose of refunding any outstanding Debt, the reports or certificates required by **clause (i) or (ii)** above to be delivered will not apply so long as both the total and the Maximum Annual Debt Service on all outstanding Debt after issuance of the additional Debt will not exceed both the total and the Maximum Annual Debt Service on all outstanding Debt prior to the issuance of such additional Debt.

The Institution reserves the right to incur Subordinate Debt that is secured by a subordinate lien on all or a portion of the collateral within the Trust Estate and may make regularly scheduled payment on such Subordinate Debt so long as no Event of Default exists or is continuing under the Master Indenture.

The Institution further reserves the right to incur Debt that is not secured by a lien on either the Pledged Revenues or any property included in a Leasehold Mortgage. Such Debt may be secured by a lien on all or any portion of assets financed therewith and revenues therefrom or any other revenues of the Institution not included in the Master Trust Estate.

For additional information, see "APPENDIX D - FORM OF MASTER INDENTURE."

Special Covenants of the School; Additional Indebtedness

The Master Covenant Agreement requires the School to comply with certain financial covenants and places certain restrictions on the incurrence of indebtedness by the School as described herein under "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS - Special Covenants of the School; Additional Indebtedness". Pursuant to the Loan Agreement, the Institution may incur additional indebtedness, including Additional Bonds issued pursuant to the Bond Indenture; provided in all cases that such indebtedness shall meet the requirements set forth in the Master Covenant Agreement and shall be incurred to benefit the School.

Bondholders' Risks

Certain risks associated with an investment in the Series 2021 Bonds are discussed under "RISK FACTORS" in this Limited Offering Memorandum.

Miscellaneous

This Limited Offering Memorandum (including the Appendices hereto) contains descriptions of, among other matters, the Bond Indenture, the Master Indenture, the Loan Agreement, the Use Agreement, the Mortgage, the Subleases, the Assignment, the Continuing Disclosure Agreement, the Issuer, the Facilities, the Institution, the School and the Series 2021 Bonds. Such descriptions and information do not purport to be comprehensive or definitive. All references to documents described herein are qualified in their entirety by reference to such documents, copies of which are available for inspection at the designated corporate trust office of the Trustee.

THE ISSUER

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

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

The Series 2021 Bonds are special, limited revenue obligations of the Issuer payable solely out of certain funds pledged therefor. Nothing in the Series 2021 Bonds or the Bond Indenture shall be considered as pledging or committing any other funds or assets of the Issuer to the payment of the Series 2021 Bonds or the satisfaction of any other obligation of the Issuer under the Series 2021 Bonds or the Bond Indenture.

Neither the Issuer nor its members, directors, officers, agents, servants or employees, nor any person executing the Series 2021 Bonds, shall be liable personally with respect to the Series 2021 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 2021 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 2021 Bonds, the Issuer has not otherwise assisted in the offer, sale, or distribution of the Series 2021 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 2021 Bonds. The Institution and the School have agreed to indemnify the Issuer against certain liabilities relating to this Limited Offering Memorandum.

THE INSTITUTION

The Institution is a Wyoming not-for-profit corporation and was formed on June 11, 2008. The Institution subleases the Facilities to the School pursuant to each Sublease. The Institution is an organization

described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code) and which is not a "private foundation" as defined in Section 509(a) of the Code. The Institution operates as a Wyoming not-for-profit corporation and as such is governed by the law applicable to such entities and its bylaws. The Institution's bylaws provide that the Institution is managed and controlled by a Board of Trustees. The Institution serves as the Charter Management Organization ("CMO") to the School. The CMO contract, dated January 21, 2020, gives the Institution the authority to manage the School. For more information with respect to the Institution, the Institution's history, management, and operations, see "APPENDIX A" in this Limited Offering Memorandum.

THE SCHOOL

The School is a New York corporation established under the laws of the State and exempt from federal taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The school operates five (5) public charter schools under four (4) separate charters (each a "Charter" and collectively, "Charters") and currently services more than 1,600 students in grades K-8.

The School has a provisional charter in good standing from the New York State Board of Regents. The School has been duly established as a charter school under the Charter School Act, and its charter to operate Brilla Pax Elementary School, Brilla Caritas Elementary School, Brilla College Prep Middle School and Brilla College Prep Elementary School which it intends to operate at the respective Facilities has been duly issued thereunder.

The School's first Charter, originally granted by the New York State (the "Board of Regents") in 2012, includes Brilla College Prep Elementary ("BCPE") and Brilla College Prep Middle ("BCPM"), each located in the Mott Haven community of the Bronx. Brilla's second Charter, Brilla Veritas Elementary ("BVE"), was granted in 2016 by the State University of New York ("SUNY") and is located in the Melrose community. The BCPE/M Charter was merged with the BVE Charter in 2017 to create a single education corporation authorized by SUNY. BCPE/M was successfully renewed for a 5-year term in 2018. Brilla Caritas Elementary ("BCE") and Brilla Pax Elementary ("BPE") were subsequently awarded Charters in 2019 and are located in the University Heights community of the Bronx. Under the current agreement with the SUNY, the School is authorized to operate BCPE and BCPM through June 30, 2023, BVE through June 31, 2022 (with the renewal application being submitted in August of 2021) and BCE and BPE through July 31, 2025.

The School operates as a New York corporation and as such is governed by the law applicable to such entities and its Charters and bylaws. The School's bylaws provide that the School is managed and controlled by a Board of Trustees. For more information with respect to the School, the Charters and the School's history and operations, see "APPENDIX A" in this Limited Offering Memorandum.

THE PROJECT AND PLAN OF FINANCE

Proceeds of the Series 2021 Bonds will be used by the Institution (a) to refinance two loans in the aggregate outstanding amount of approximately $10,916,553, which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the BPE and BCE schools (the "Andrews Avenue North Facility"), (b) to refinance a loan in the outstanding amount of approximately $2,115,854, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as the site for the BCPM school (the "Courtlandt Avenue Facility"), (c) to refinance a loan in the outstanding amount of approximately $2,630,011, which loans financed leasehold improvements in 28,478 square feet of space in a building located in 413 East 144th Street, Bronx, NY, which currently serves as the site for the BCPE school (the "East 144th Street Facility"), (d) to fund a debt

service reserve fund for the Series 2021A Bonds and Series 2021B Bonds, and (e) to pay for certain costs and expenses associated with the issuance of the Bonds.

See "APPENDIX A" in this Limited Offering Memorandum.

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SOURCES AND USES OF FUNDS

Following are the estimated sources and uses for funds (excluding investment income) associated with the Project and the issuance of the Series 2021 Bonds:

SOURCES AND USES OF FUNDS

Seton Education Partners
Series 2021AB
Build NYC
Seton Education Partners
(Brilla Public Charter School), New York

BB+

Sources:	Tax-Exempt Series	Taxable Series	Total
Bond Proceeds:			
Par Amount	14,595,000.00	650,000.00	15,245,000.00
Premium	1,814,609.25		1,814,609.25
	16,409,609.25	650,000.00	17,059,609.25
Other Sources of Funds:			
Transfer from Prior DSRF	175,755.00		175,755.00
Required Equity Contribution	413,000.00		413,000.00
	588,755.00		588,755.00
	16,998,364.25	650,000.00	17,648,364.25

Uses:	Tax-Exempt Series	Taxable Series	Total
Project Fund Deposits:			
Andrews Refinancing	10,945,593.57		10,945,593.57
Courtland Refinancing	2,128,169.36		2,128,169.36
E.144th Refinancing	2,626,608.51		2,626,608.51
	15,700,371.44		15,700,371.44
Other Fund Deposits:			
Debt Service Reserve Fund - Tax-Exempt	969,400.00		969,400.00
Debt Service Reserve Fund - Taxable		65,000.00	65,000.00
	969,400.00	65,000.00	1,034,400.00
Delivery Date Expenses:			
Cost of Issuance	274,537.10	486,003.15	760,540.25
Underwriter's Discount:			
Underwriter's Discount ($9.75/Bond)	53,655.08	98,983.67	152,638.75
Other Uses of Funds:			
Additional Uses	400.63	13.18	413.81
	16,998,364.25	650,000.00	17,648,364.25

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DEBT SERVICE SCHEDULE

The table below sets forth the amounts required to be paid with respect to the Series 2021 Bonds, assuming no prepayments or redemption prior to maturity. All amounts shown in the table below are gross debt service prior to the application of any earnings on amounts deposited in the Debt Service Reserve Fund and the other funds and accounts established under the Bond Indenture.

Period Ending November 1	Principal	Interest	Annual Total
2022		570,245.91	570,245.91
2023		607,362.50	607,362.50
2024	285,000	607,362.50	892,362.50
2025	365,000	597,031.26	962,031.26
2026	385,000	583,800.00	968,800.00
2027	395,000	568,400.00	963,400.00
2028	415,000	552,600.00	967,600.00
2029	430,000	536,000.00	966,000.00
2030	445,000	518,800.00	963,800.00
2031	465,000	501,000.00	966,000.00
2032	485,000	482,400.00	967,400.00
2033	505,000	463,000.00	968,000.00
2034	525,000	442,800.00	967,800.00
2035	545,000	421,800.00	966,800.00
2036	565,000	400,000.00	965,000.00
2037	585,000	377,400.00	962,400.00
2038	610,000	354,000.00	964,000.00
2039	630,000	329,600.00	959,600.00
2040	665,000	304,400.00	969,400.00
2041	690,000	277,800.00	967,800.00
2042	715,000	250,200.00	965,200.00
2043	745,000	221,600.00	966,600.00
2044	605,000	191,800.00	796,800.00
2045	630,000	167,600.00	797,600.00
2046	655,000	142,400.00	797,400.00
2047	535,000	116,200.00	651,200.00
2048	560,000	94,800.00	654,800.00
2049	580,000	72,400.00	652,400.00
2050	605,000	49,200.00	654,200.00
2051	625,000	25,000.00	650,000.00

CHARTER SCHOOL FUNDING IN THE STATE OF NEW YORK

This section provides a brief overview of the State's current system for funding charter schools. Prospective purchasers of the Series 2021 Bonds should note that the overview contained below and the summary of relevant State law provisions contained in APPENDIX B hereto are provided for the convenience of prospective purchasers but are not and do not purport to be comprehensive. Potential purchasers should note that the law applicable to charter schools in New York has developed over time and is subject to further changes in the future. See "RISK FACTORS - Changes in Law; Annual Appropriation; Inadequate Education Aid Payments" in this Limited Offering Memorandum.

General

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

Charter School Basic Tuition

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

Limited Offering Memorandum for a detailed discussion of the Charter School Basic Tuition formula and applicable definitions, including "Approved Operating Expense."

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

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

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

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

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

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

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

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

Federal and State Aid Attributable to a Student with a Disability

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

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

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

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

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

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

Facilities Access Payments/Rental Assistance

In March 2014, Section 2853 of the Charter Schools Act was amended to grant a subset of State charter schools a new statutory right to request access to facilities. Charter schools in the City that commenced instruction or added grade levels in the 2014-2015 school year or thereafter are eligible to request co-location within a public school building. Upon such request, such charter school must be provided access to facilities pursuant to the Charter Schools Act, either in co-located space in a school district building, alternative private space provided by the school district at no cost to the charter school, or, upon a successful appeal by the charter school, in the form of rental assistance payments from the school district ("Facilities Access Payments"). For eligible charter schools that have expanded grade levels during the 2014-2015 school year or thereafter, the Facilities Access Payments are calculated, as the lesser of (a) actual rental cost of an alternative privately owned site selected by the charter school or (b) 30% of the product of Charter School Basic Tuition and, for a new charter school commencing instruction on or after July 1, 2014, the charter school's current year enrollment, or, for a charter school which expands its grade level, the increases in enrollment from the school year prior to the first year of the expansion, to the current school year. See also "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW" in this Limited Offering Memorandum.

THE SERIES 2021 BONDS

General

The Series 2021 Bonds will be issued in the original aggregate principal amount of $15,245,000. The Series 2021 Bonds will bear interest as set forth on the inside front cover hereof. Interest on the Series 2021 Bonds will be payable semi-annually on November 1 and May 1 (or, if any such day is not a Business Day, the immediately succeeding Business Day, each an "Interest Payment Date") of each year, commencing on May 1, 2022. Interest on the Series 2021 Bonds will be calculated on the basis of a 360-day year of twelve 30-day months.

The Series 2021 Bonds will be issued in the form of fully registered bonds without coupons in minimum authorized denominations of $100,000 or any integral multiple of $5,000 in excess thereof (an "Authorized Denomination"). The principal of, interest on, and premium, if any, on the Series 2021 Bonds will be payable when due by wire of the Trustee to The Depository Trust Company, New York, New York ("DTC"), which will in turn remit such principal, interest and premium, if any, to Participants, which Participants will in turn remit such principal, interest and premium, if any, to the Beneficial Owners of the Series 2021 Bonds as described in this Limited Offering Memorandum. See "APPENDIX K - BOOK-ENTRY ONLY SYSTEM" in this Limited Offering Memorandum.

In the event the Series 2021 Bonds are not registered in the name of Cede & Co., as nominee of DTC, or another eligible depository as described below, the principal, Purchase Price or Redemption Price of, and Sinking Fund Installments for the Series 2021 Bonds will be payable by check or draft or wire transfer to the persons in whose names such Series 2021 Bonds are registered on the bond registration books maintained by the Trustee as Bond Registrar at the maturity or redemption date thereof, or with respect to any payment in full of any Series 2021 Bond either at final maturity or upon purchase or upon redemption in whole, only be payable upon presentation and surrender of such Series 2021 Bonds at the designated corporate trust office of the Trustee, as described in the Bond Indenture. Interest payable on each Series 2021 Bond on any Interest Payment Date will be paid by the Trustee to the registered owner of such Series 2021 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, by check or draft mailed to such registered owner at his address as it appears on the bond registration books, or at the written request by any registered owner of Series 2021 Bonds in the aggregate principal amount of at least $1,000,000, by electronic transfer, as described in the Bond Indenture.

Interest on any Series 2021 Bond that is due and payable but not paid on the date due ("Defaulted Interest") shall cease to be payable to the owner of such Series 2021 Bond on the relevant Record Date and shall be payable to the owner in whose name such Series 2021 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 Bond Indenture.

Redemption of Series 2021 Bonds

General Optional Redemption. The Series 2021A Bonds shall be subject to redemption, on or after November 1, 2031, in whole or in part at any time (but if in part in integral multiples of $5,000 and in the minimum principal amount of $100,000) at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement) at a Redemption Price of 100% of the unpaid principal amount of the Series 2021A Bonds to be redeemed, plus accrued interest to the date of redemption.

The Series 2021B Bonds are not subject to optional redemption.

Mandatory Sinking Fund Installment Redemption. The Series 2021A 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 Redemption Date, 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 Bond Indenture:

Series 2021A Term Bonds Maturing November 1, 2031

Mandatory Redemption Date (November 1)	Mandatory Redemption
2026	$385,000
2027	395,000
2028	415,000
2029	430,000
2030	445,000
2031*	465,000

Series 2021A Term Bonds Maturing November 1, 2041

Mandatory Redemption Date (November 1)	Mandatory Redemption
2032	$485,000
2033	505,000
2034	525,000
2035	545,000
2036	565,000
2037	585,000
2038	610,000
2039	630,000
2040	665,000
2041*	690,000

Series 2021A Term Bonds Maturing November 1, 2051

Mandatory Redemption Date (November 1)	Mandatory Redemption
2042	$715,000
2043	745,000
2044	605,000
2045	630,000
2046	655,000
2047	535,000
2048	560,000
2049	580,000
2050	605,000
2051*	625,000

*Final Maturity

The Series 2021B 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 Redemption Date, 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 Bond Indenture:

Series 2021B Term Bonds Maturing November 1, 2025

Mandatory Redemption Date (November 1)	Mandatory Redemption
2024	$285,000
2025*	365,000

*Final Maturity

Mandatory Redemption from Excess Proceeds and Certain Other Amounts. The Series 2021 Bonds shall be redeemed, at any time, in whole or in part by lot prior to maturity in the event and to the extent:

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

(ii) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(iii) certain funds received by the Institution pursuant to any capital campaign which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for completion of the Project or related Project Costs as provided in the Loan Agreement,

in each case at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2021 Bonds to be redeemed, together with interest accrued thereon to the Redemption Date.

Extraordinary Redemption. The Series 2021 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 Bond Indenture, at a Redemption Price of one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the Redemption Date, if one or more of the following events shall have occurred:

(i) The Facility shall have been damaged or destroyed to such extent that, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee, (A) the Facility cannot be reasonably restored within a period of one (1) 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 (1) 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 (1) year from the date of such taking or condemnation, as evidenced by a certificate of an Independent Engineer filed with the Issuer and the Trustee; or

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

If the Series 2021 Bonds are to be redeemed in whole as a result of the occurrence of any of the events described above, the Institution shall deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes.

Mandatory Redemption Upon Failure to Operate the Facility for the Approved Project Operations, Material Violation of Material Legal Requirements, False Representation or Failure to Maintain Liability Insurance. The Series 2021 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 Bond Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2021 Bonds, together with interest accrued thereon to the Redemption Date.

Mandatory Redemption Upon Termination of any Lease or any Sublease. The Series 2021 Bonds or an allocable portion thereof are subject to mandatory redemption prior to maturity, at the option of the Issuer, in whole or in part, in the event (i) any Lease is terminated or not renewed, (ii) any Sublease is terminated or not renewed prior to the repayment of Series 2021 Bonds allocated to such Facility. Any such redemption shall be made upon notice or waiver to the Bondholders as provided in the Bond Indenture, at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Series 2021 Bonds, together with interest accrued thereon to the date of redemption, unless with the consent of the Issuer, the Institution delivers to the Issuer and the Bond Trustee (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such termination or expiration of any Lease or Sublease complies with the provisions of the Bond Documents and (B) neither such termination or expiration of any Lease or Sublease nor any transaction directly related thereto (including the mandatory redemption of a portion of the Initial Bonds) will adversely affect the exclusion from gross income of interest on the Series 2021A Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2021A 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 three percent (103%) of the principal amount thereof, together with accrued interest to the Redemption Date. The Series 2021 Bonds shall be redeemed in whole unless redemption of a portion of the Series 2021A Bonds Outstanding would have the result that interest payable on the Series 2021A Bonds remaining Outstanding after such redemption would not be includable in the gross income of any Holder of a Series 2021A Bond. In such event, the Series 2021A Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

"Determination of Taxability" means (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 Series 2021A 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 Series 2021A 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 Series 2021A Bonds is not so includable when required pursuant to a request by a Bondholder in accordance with the procedures set forth in the Bond Indenture; provided, however, that no such Determination of Taxability described in clauses (i)(B) or (i)(C) of this definition shall be considered to exist unless (1) the Holder or former Holder of the Series 2021A 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. A Series 2021A Bondholder shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (ii) above, at the expense of the Institution, upon delivery by the Bondholder to the Institution of a letter from the Bondholder's accountant stating that, in his or her reasonable opinion, interest on the Series 2021A Bonds is includable in the gross income of such Bondholder for federal income tax purposes and stating the reasons for such determination. No Determination of Taxability described above will result from the inclusion of interest on any Series 2021A Bond in the computation of minimum or indirect taxes.

SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES 2021 BONDS, ALL PAYMENTS OF PRINCIPAL OR REDEMPTION PRICE OF, SINKING FUND INSTALLMENTS FOR, AND INTEREST ON THE SERIES 2021 BONDS WILL BE MADE DIRECTLY TO DTC. DISBURSEMENT OF SUCH PAYMENTS TO DIRECT PARTICIPANTS WILL BE THE RESPONSIBILITY OF DTC, AND DISBURSEMENT OF SUCH PAYMENTS TO BENEFICIAL OWNERS WILL BE THE RESPONSIBILITY OF THE DIRECT PARTICIPANTS AND INDIRECT PARTICIPANTS. SEE "APPENDIX K - BOOK-ENTRY ONLY SYSTEM" IN THIS LIMITED OFFERING MEMORANDUM.

Notice of Redemption. When redemption of any Series 2021 Bonds is requested or required pursuant to the Bond 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 Series 2021 Bonds or portions thereof to be redeemed, the Redemption Date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Series 2021 Bonds or portions thereof to be payable and, if less than all of the Series 2021 Bonds of any maturity are to be redeemed, the numbers of such Series 2021 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 2021 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 Redemption Date, to the registered owners of any Series 2021 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 2021 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.

Effect of Notice. Any notice mailed as provided in the Bond Indenture shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. If any Series 2021 Bond shall not be presented for payment of the Redemption Price within sixty (60) days of the Redemption Date, the Trustee shall mail a second notice of redemption to such Holder by first class mail, postage prepaid. Any amounts held by the Trustee due to non-presentment of Series 2021 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 2021 Bonds. If notice of redemption shall have been given in the manner provided in the Bond Indenture and as described above, the Series 2021 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 2021 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 2021 Bonds to be

redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem the Series 2021 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 2021 Bonds so called for redemption at the place or places of payment, such Series 2021 Bonds shall be redeemed.

So long as DTC is effecting book entry transfers of the Series 2021 Bonds, the Trustee shall provide the notices specified above only to DTC. It is expected that DTC shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of DTC or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2021 Bond (having been mailed notice from the Trustee, DTC, a Participant or otherwise) to notify the Beneficial Owner of the Series 2021 Bond so affected, shall not affect the validity of the redemption of such Series 2021 Bond.

Payment of Redeemed Series 2021 Bonds. Notice having been given in the manner provided in the Bond Indenture and as described above, the Series 2021 Bonds or portions thereof so called for redemption shall become due and payable on the Redemption Dates so designated at the Redemption Price, plus interest accrued and unpaid to the Redemption Date. If, on the Redemption Date, moneys for the redemption of all the Series 2021 Bonds or portions thereof to be redeemed, together with interest to the Redemption Date, shall be held by the Paying Agent so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the Redemption Date, (i) interest on the Series 2021 Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (ii) the Series 2021 Bonds or portions thereof so called for redemption shall cease to be entitled to any lien, benefit or security under the Bond Indenture, and (iii) the Holders of the Series 2021 Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the Redemption Date. If said moneys shall not be so available on the Redemption Date, such Series 2021 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Selection of Series 2021 Bonds for Redemption. In the event of redemption of less than all the Outstanding Series 2021 Bonds of the same Series and maturity, the particular Series 2021 Bonds or portions thereof to be redeemed shall be selected by the Trustee in such manner as the Trustee in its reasonable discretion may deem fair, except that (i) the Series 2021 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 the Series 2021 Bonds of a Series for redemption such that no Series 2021 Bond of such Series shall be of a denomination of less than the Authorized Denomination for such Series of Series 2021 Bonds. In the event of redemption of less than all the Outstanding Series 2021 Bonds of the same Series stated to mature on different dates, the principal amount of such Series of Series 2021 Bonds to be redeemed shall be applied in inverse order of maturity of the Outstanding Series of Series 2021 Bonds to be redeemed and by lot within a maturity. The portion of the Series 2021 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 Series 2021 Bonds of a particular Series for redemption, the Trustee shall treat each such Series 2021 Bond as representing that number of Series 2021 Bonds of such Series which is obtained by dividing the principal amount of such registered Series 2021 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 2021 Bond is to be called for redemption, then, upon notice of intention to redeem such unit or units, the Holder of such Series 2021 Bond shall forthwith surrender such Series 2021 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 2021 Bond or Series 2021 Bonds of such Series in the aggregate unpaid principal amount of the unredeemed balance of the principal amount of such Series 2021 Bond. New Series 2021 Bonds of the same Series and maturity representing the unredeemed balance of the principal amount of such Series 2021 Bond shall be issued to the registered Holder thereof, without charge therefor. If the Holder of any such Series 2021 Bond of a denomination greater than a unit shall fail to present such Series 2021 Bond to the Trustee for payment and exchange as aforesaid, such Series 2021 Bond shall, nevertheless, become due and payable on the Redemption Date to the extent of the unit or units of principal amount called for redemption (and to that extent only).

Deemed Representations by Holders

Each Holder of a Series 2021 Bond, by the purchase and acceptance of such Series 2021 Bond, is deemed to have represented and agreed as follows: (a) it is a qualified institutional buyer as defined in Rule 144A ("Rule 144A") of the Securities Act of 1933, as amended (the "Securities Act") and it is aware that the sale made to it of such Series 2021 Bond has been made in reliance on Rule 144A; it has acquired such Series 2021 Bond for its own account or for the account of a qualified institutional buyer; or (ii) it is an "accredited investor" as defined in Rule 501 under the Securities Act; and (b) it understands that such Series 2021 Bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer such Series 2021 Bond, such Series 2021 Bond may be offered, resold, pledged or transferred only in accordance with the above transfer restrictions.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2021 BONDS

Special Limited Revenue Obligations

THE SERIES 2021 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE AND INTEREST, SOLELY FROM THE TRUST ESTATE. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR THE REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2021 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 2021 BONDS. THE SERIES 2021 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE BOND INDENTURE. THE SERIES 2021 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 THE REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2021 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

General

The Issuer will issue the Series 2021 Bonds under the Bond Indenture. Pursuant to the Loan Agreement, the Issuer agrees to lend the proceeds of the Series 2021 Bonds to the Institution to finance the Project. Under the Loan Agreement, the Institution is obligated unconditionally to repay the loan in amounts sufficient, together with available funds held under the Bond Indenture, to provide for the timely payment of the principal of, premium, if any, and interest on the Series 2021 Bonds when due (whether by maturity, mandatory sinking fund redemption or acceleration) and to perform certain other obligations set forth therein. In accordance with the Use Agreement, the School assumes certain provisions of the Loan Agreement. The obligation of the Institution to make loan payments under the Loan Agreement sufficient

to pay the Series 2021 Bonds is an absolute and unconditional obligation of the Institution; provided, however, that the ability of the Institution to generate additional revenues is limited in the event payments of rent by the School are insufficient for the Institution to make loan payments. Under the Loan Agreement, a "Loan Payment Date" is defined as the first (1st) day of November and May of each year, commencing May 1, 2022. See "APPENDIX F - FORM OF LOAN AGREEMENT" in this Limited Offering Memorandum.

Pursuant to the terms of the Mortgage, the Institution will grant to the Issuer and the Master Trustee mortgage liens on and security interests in the Institution's leasehold interest in the Mortgaged Property, including the Facilities, subject to Permitted Encumbrances. The liens and security interests created by the Bond Indenture and the Mortgage are for the equal and ratable benefit of the holders of the Master Notes. The Mortgage will be assigned by the Issuer to the Master Trustee pursuant to the Assignment of Mortgage. The Loan Agreement and the Mortgage contain the general liability insurance and property insurance requirements for the Institution. See "RISK FACTORS" in this Limited Offering Memorandum for a discussion of certain limitations on the enforceability of the security for the Series 2021 Bonds.

The Institution will cause the Master Trustee to deliver the Master Notes to the Trustee, to provide payment for, and secure the payment of, the Series 2021 Bonds. The Master Notes will constitute Debt under the Master Indenture and will be secured equally and ratably with all other promissory notes issued under the Master Indenture (other than any such promissory notes issued as Subordinate Debt) by (a) the pledge and assignment of a security interest in the trust estate of the Institution established under the Master Trust Indenture (the "Master Trust Estate"), including, without limitation, the Pledged Revenues of the Institution and the funds established under the Master Indenture and (b) a lien on the real property and other personal property of the Institution as described in the Mortgage.

Sublease

Payments of rent due from the School to the Institution under the Subleases during the term of such Subleases which expire prior to the maturity date of the Series 2021 Bonds will be in amounts that are anticipated to be sufficient to make loan payments under the Loan Agreement. Pursuant to the Mortgage, the Institution will assign and pledge its interest in the Sublease to the Trustee as additional security for the Master Notes. The terms of the Subleases do not extend to or past the maturity date of the Series 2021 Bonds, but are subject to extension and early termination. See "APPENDIX J-1 – FORM OFANDREWS AVENUE NORTH SUBLEASE," "APPENDIX J-2 – FORM OF 413 EAST 144TH STREET SUBLEASE," and "APPENDIX J-3 – FORM OF COURTLANDT AVENUE SUBLEASE" in this Limited Offering Memorandum.

The Mortgage

Pursuant to the Mortgage, the Institution will grant, to the Master Trustee a first mortgage lien on the Institution's leasehold interest in the Mortgaged Property and other real property that comprises the Facilities (the "Mortgaged Property") to secure the Institution's obligations to make payments under the Debt issued under the Master Indenture, including the Master Notes. The Institution will also grant, pursuant to the Mortgage, a valid security interest in all of the personal property of the Institution that is associated with the use and operation of its Facility. Pursuant to the Assignment, the Institution will assign its interest in the Subleases to the Master Trustee. See "THE SERIES 2021 BONDS" and "APPENDIX G – FORM OF MORTGAGE" in this Limited Offering Memorandum.

Certain Financial and Operating Covenants of the School; Additional Indebtedness

As used in the Master Covenant Agreement and in this section:

(A) "Compliance Certificate" means a certificate signed by Authorized Representatives of the Institution and the School addressing compliance with the financial covenants set forth in the Master Covenant Agreement.

(B) "Fiscal Year" means a 12 month fiscal period of the School commencing on July 1, and ending on June 30 of the following year, or such other annual accounting period as the School may hereafter adopt.

(C) "Independent Management Consultant" means a consultant or firm of independent professional management consultants, or an independent school management organization, knowledgeable in the operation of public or private schools and having a favorable reputation for skill and experience in the field of public or private school management consultation reasonably acceptable to the Trustee and the Institution.

(D) "Lease Payment Coverage Ratio" means, for the Fiscal Year in question, the ratio obtained by dividing (i) the Available Revenues for such Fiscal Year by (ii) the sum of the cash rent expense of Brilla, including the aggregate actual Lease Payments due under the Leases for such Fiscal Year.

(E) "Participating Campuses" refers to the School's campuses within the jurisdictional boundaries of the Archdiocese of New York, New York that are (i) acquired, leased, constructed, improved, renovated, equipped or refinanced with the proceeds of any Related Bonds, (ii) identified in and made part of the trust estate in any supplemental master indenture, and (iii) operated under separate charters.

(F) "Related Bonds" means bonds, promissory notes, or other obligations with respect to which any senior note or subordinate note of the Institution are issued pursuant to the Master Indenture and any other revenue bonds or similar obligations issued by any state of the United States, any municipal corporation, any non-municipal corporation, or other political subdivision formed under the laws thereof or any constituted authority, agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, the proceeds of which are loaned or otherwise made available to the Company in consideration, whether in whole or in part, of the execution, authentication and delivery of a note or notes to such governmental issuer.

Covenants of the School

Lease Payment Coverage Ratio. The School covenants and agrees to maintain a Lease Payment Coverage Ratio not less than 1.10 as of the last day of each Fiscal Year. The Lease Payment Coverage Ratio shall be tested as of June 30 of each Fiscal Year based on the results of each Fiscal Year audit, commencing with the Fiscal Year ended June 30, 2022. If the School fails to achieve the Lease Payment Coverage Ratio for any year, the School will retain, at its sole expense, an independent management consultant within thirty (30) days of the date of the School's certificate of compliance to review and analyze the School's operations and administration, inspect the Project, and perform such other review and analysis as necessary. The Independent Management Consultant shall deliver its report within forty-five (45) days of its retention to the School, the Institution, the Trustee and the Master Trustee, and such report shall make such recommendations as such independent management consultant deems appropriate to achieve compliance with the Lease Payment Coverage Ratio obligations. Failure of the School to achieve the required Lease Payment Coverage Ratio shall not constitute an Event of Default under the Master Covenant Agreement if the School takes all action necessary to comply with the procedures set forth above for adopting a plan and follows each recommendation contained in such plan or Independent Management

Consultant's report to the extent feasible (as determined in the reasonable judgment of the School's Board) and permitted by law. Notwithstanding the foregoing, failure of the School to achieve a Lease Payment Coverage Ratio at least equal to 1.00 shall constitute an Event of Default under the Master Covenant Agreement.

Additional Indebtedness of the School. So long as the School is not in default under the Sublease, the School may incur other financial obligations in any manner and in any amount, including the issuance of bonds; provided, however, that no such obligations shall ever encumber or create a lien upon the Project, except as Permitted by the Mortgage.

Liquidity Requirement. The School covenants and agrees to maintain unrestricted cash in an amount equal to at least (i) forty-five (45) days of operating expenses (including interest on debt but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses), to be tested on the last day of the Fiscal Year ending June 30, 2022 and each Fiscal Year thereafter (in each case, the "Liquidity Requirement") as evidenced by the School's audited financial statements for each such Fiscal Year. Such operating reserves shall not be funded with Bond proceeds. The Liquidity Requirement shall be tested once every year, commencing with the Fiscal Year ending June 30, 2022. Funds held in satisfaction of the Liquidity Requirement may be used for any lawful purpose, and may be spent without any restriction between annual testing dates other than to be in compliance with the Liquidity Requirement by the next testing date. The foregoing is subject to the qualification that if applicable State or federal laws or regulations, or the rules and regulations of agencies having jurisdiction, shall not permit the School to maintain such balance, then the School shall, in conformity with the then prevailing laws, rules or regulations, maintain a balance equal to the maximum permissible level. If the School fails to meet the required levels of the Liquidity Requirement for any year, the School will retain, at its sole expense, an independent management consultant within thirty (30) days of the date of the Compliance Certificate to review and analyze the School's operations and administration, inspect the Project, and perform such other review and analysis as necessary. The independent management consultant shall deliver its report within forty-five (45) days of its retention to the School, the Institution, the Trustee and the Master Trustee, and such report shall make such recommendations as such Independent Management Consultant deems appropriate to achieve compliance with the obligations of this Section. Failure of the School to achieve the required Liquidity Requirement shall not constitute an Event of Default if the School takes all action necessary to comply with the procedures set forth above for adopting a plan and follows each recommendation contained in such plan or independent management consultant's report to the extent feasible (as determined in the reasonable judgment of the School's Board) and permitted by law. Notwithstanding the foregoing, failure of the School to maintain unrestricted cash in an amount at least equal to thirty (30) days of operating expenses on the last day of any fiscal year shall constitute an Event of Default under this Agreement; provided, however, if, in any fiscal year, the State takes or retains money due to the School and such action causes the School to fail to maintain the Liquidity Requirement for such fiscal year, the Master Trustee shall waive the Liquidity Requirement for such fiscal year. No additional waivers shall be made for future fiscal years unless additional action is taken by the State in such future fiscal years.

Termination of Leases. The School and the Institution each covenant and agree that thirty (30) days prior to the exercise of their respective rights under any of the Leases to terminate the lease term, they will provide the Trustee a certificate including a projected Lease Payment Ratio reflecting that the Lease Payments from the remaining Participating Campuses provide sufficient revenues to satisfy the Lease Payment Ratio.

Modification of Leases. The School and the Institution shall not enter into any amendment, modification or supplement to a Lease (a "Proposed Lease Amendment") unless, the School and the Institution shall deliver to the Issuer the Master Trustee, and the Trustee (v) if the amendment, modification or supplement would affect the amount or timing of the payment of rentals by the Institution or the School

under such Lease, evidence from each rating agency by which any Series of Outstanding Bonds are then rated, if any, to the effect that the Proposed Lease Amendment 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, (w) a certificate of an Authorized Representative of the School or the Institution (as applicable) to the effect that the Proposed Lease Amendment will not have an adverse effect, or otherwise impair, the security for the Bonds, nor adversely affect the operation of the Facility by the School as a public charter school for the Approved Project Operations (as defined in the Indenture), (x) a substantially final draft of the Proposed Lease Amendment at least fourteen (14) days prior to the execution thereof, (y) an Opinion of Counsel to the Institution and the School to the effect that, upon the execution and delivery thereof by the Institution and the School, the Proposed Lease Amendment shall constitute the legal, valid and binding enforceable obligations of the Institution and the School and (z) an opinion of Bond Counsel to the effect that the Proposed Lease Amendment will not cause the interest on the Series 2021A Bonds to become includable in gross income of the Holders thereof for federal income tax purposes.

Subordination of School Management Fee. The School and the Institution covenant and agree that the payment of any school management services fee shall be subordinate and subject in right and time of payment to (i) the payment in full of the Series 2021 Notes and the Master Notes and any additional promissory notes hereafter issued under the Master Trust Indenture, and (ii) the payment in full of all obligations of the School with respect to each Lease, such obligations and Participating Campuses as identified in each Supplemental Master Trust Indenture, including but not limited to the monthly rent payments to Seton, as landlord pursuant to that certain Lease. However, payments of school management services fees pursuant to the CMO may be made, provided that, after giving effect thereto (i) no deficiency exists in the Debt Service Reserve Fund pursuant to the Trust Indenture, and (ii) no Event of Default or event which could, upon the passage of time, give rise to an Event of Default shall have then occurred and be continuing under the Master Covenant Agreement on the date of any such payment.

The Bond Indenture

The Series 2021 Bonds are to be issued pursuant to the Bond Indenture and will be equally and ratably secured with any Series of Additional Bonds that may be issued thereby. As security for the Series 2021 Bonds, the Issuer has pledged and assigned to the Trustee the Trust Estate, which includes: (i) all right, title and interest of the Issuer in and to the Loan Agreement, including all loan payments, revenues and receipts payable or receivable thereunder (other than the Issuer's Reserved Rights, 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 Series 2021 Notes and the Master Notes; (iii) all moneys and securities from time to time held by the Trustee under the Bond Indenture (other than the Rebate Fund), and (iv) any and all other property of every kind and nature from time to time which is delivered or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security under the Bond Indenture, 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 Bond Indenture. The Bond Indenture provides that all Series 2021 Bonds issued thereunder shall be special limited revenue obligations of the Issuer, payable solely from and secured solely by the Trust Estate. See "APPENDIX E - FORM OF BOND INDENTURE" in this Limited Offering Memorandum.

The Master Indenture

Simultaneously with the issuance of the Series 2021 Bonds and the delivery of the Master Notes to the Issuer, (i) pursuant to the Master Indenture, the Issuer will assign the Master Notes to the Trustee (excluding the Reserved Rights), (ii) the Institution will enter into a Master Trust Indenture (the "Master Trust Indenture") with Trustee, as master trustee (the "Master Trustee"), as supplemented by Supplemental Master Trust Indenture Number 1 (the "Supplemental Indenture"), each dated as of November 1, 2021 (the

Master Trust Indenture and the Supplemental Indenture, collectively, the "Master Indenture"), and (iii) the Institution will issue promissory notes, each in the principal amount of the respective series of the Series 2021 Bonds (collectively, the "Master Notes"), and will cause the Master Trustee to deliver the Master Notes to the Trustee, to provide payment for, and secure the payment of, the Series 2021 Bonds. The Master Notes will constitute Debt under the Master Indenture and will be secured equally and ratably with all other obligations issued or to be issued under the Master Indenture (other than any Debt issued as Subordinate Debt) by (a) the pledge and assignment of a security interest in the Master Trust Estate of the Institution, including, without limitation, the Pledged Revenues of the Institution and the funds established under the Master Indenture and (b) a lien on the real property and other personal property of the Institution as described in the Mortgage and any other Leasehold Mortgage to certain trustees for the benefit of the Institution and the Master Trustee. The Master Indenture sets forth that any Subordinate Debt incurred by the Institution shall be subject and subordinate in right of payment and lien priority to the prior payment in full of Senior Debt, including the Master Notes. See "APPENDIX D - FORM OF MASTER INDENTURE" in this Limited Offering Memorandum.

Under the Master Indenture, there shall be deposited in the Revenue Fund as and when received, all lease payments and other amounts required to be paid by the School to the Institution under the Subleases. Each month, provided no Event of Default has occurred or is continuing, on the next business day immediately following receipt of the lease payments, the Master Trustee shall transfer amounts in the Revenue Fund 1) to the Trustee any amounts due and payable or any additional amounts then required to be on deposit with respect to the Series 2021 Bonds for the next ensuing month, first, for deposit in the Principal Account or Interest Account of the Bond Fund, second, to replenish the Debt Service Reserve Fund, and, third to pay any additional amounts owed by the Institution, all in accordance with Section 4.3(a) of the Loan Agreement, and 2) to the Institution the balance, if any, to be expended in its sole discretion.

Application of Bond Fund Moneys

The Trustee shall (i) 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 (ii) further pay out of the interest account of the Bond Fund any amounts required for the payment of accrued interest upon any purchase or redemption (including any mandatory Sinking Fund Installment redemption) of Bonds.

(b) The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective paying agents therefor out of the 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 agents on each Sinking Fund Installment payment date in immediately available funds the amounts required for the Sinking Fund Installment due and payable with respect to Bonds which are to be redeemed from Sinking Fund Installments on such date (accrued interest on such Bonds being payable from the interest account of the Bond Fund). Such amounts shall be applied by the paying agents to the payment of such Sinking Fund Installment when due. The Trustee shall call for redemption, in the manner provided in the Bond Indenture, Bonds for which Sinking Fund Installments are applicable in a principal amount equal to the Sinking Fund Installment then due with respect to such Bonds. Such call for redemption shall be made even though at the time of mailing of the notice of such redemption sufficient moneys therefor shall not have been deposited in the Bond Fund.

(d) Amounts in the redemption account of the Bond Fund shall be applied, at the written direction of the Institution, as promptly as practicable, to the purchase of Bonds at prices not exceeding the redemption price thereof applicable on the earliest date upon which the 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 Bonds by forty-five (45) days prior to the next date on which the Bonds are so redeemable shall be applied to the redemption of 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 Bonds (except if held in accordance the Bond Indenture) shall be transferred to the interest account. Upon the purchase of any Bonds out of advance loan payments as provided in this subsection, or upon the redemption of any Bonds, an amount equal to the principal of such Bonds so purchased or redeemed shall be credited against the next ensuing and future Sinking Fund Installments for such 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. Amounts in the redemption account to be applied to the redemption of Bonds shall be paid to the respective paying agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date.

(e) In connection with purchases of Bonds out of the Bond Fund, 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. 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 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 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 redemption 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 Interest Account, to the Principal Account or to the Sinking Fund Installment Account of the Bond Fund.

Acceleration

Upon the occurrence of certain events, payment of the principal of and accrued interest on the Series 2021 Bonds may be accelerated under the Bond Indenture. See “RISK FACTORS”; “APPENDIX F

- FORM OF LOAN AGREEMENT - Events of Default" and "- Remedies on Default"; and "APPENDIX E - FORM OF BOND INDENTURE - Events of Default; Acceleration of Due Date" and "- Enforcement of Remedies" in this Limited Offering Memorandum.

Debt Service Reserve Fund

On the date of the issuance of the Series 2021 Bonds, a portion of the proceeds of the Series 2021A Bonds in an amount equal to the Debt Service Reserve Fund Requirement (as defined herein) for the Series 2021A Bonds will be deposited in the Series 2021A Bonds Debt Service Reserve Account of the Debt Service Reserve Fund created under the Bond Indenture and a portion of the proceeds of the Series 2021B Bonds in an amount equal to the Debt Service Reserve Fund Requirement (as defined herein) for the Series 2021B Bonds will be deposited in the Series 2021B Bonds Debt Service Reserve Account of the Debt Service Reserve Fund created under the Bond Indenture. The "Debt Service Reserve Fund Requirement" means, (A) with respect to the Series 2021A Bonds, $969,400.00, which is the lesser of (i) ten percent (10%) of the Stated Principal Amount as defined in the Tax Regulatory Agreement) of the Outstanding Series 2021A Bonds, (ii) 100% of the greatest amount required in the then-current or any future calendar year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2021A Bonds; or (iii) 125% of the average annual amount required in the then current or any future calendar year to pay the sum of scheduled principal and interest on Outstanding Bonds, and (B) with respect to the Series 2021B Bonds, $65,000.00.

If on any Interest Payment Date or Redemption Date on the Bonds of a Series the amount in the applicable subaccount of the Interest Account of the Bond Fund (after taking into account amounts available to be transferred to the Interest Account from the applicable subaccount of the Capitalized Interest Account of the Project Fund designated for such Series of Bonds) shall be less than the amount of interest then due and payable on such Bonds, or if on any principal payment date on the Bonds of a Series the amount in the applicable subaccount of the Principal Account shall be less than the amount of principal of such Bonds then due and payable, or if on any Sinking Fund Installment payment date for the Bonds of a Series the amount in the applicable subaccount of the Sinking Fund Installment Account of the Bond Fund shall be less than the amount of the Sinking Fund Installment then due and payable on such Bonds, in each case, after giving effect to all payments received by the Trustee in immediately available funds by 10:00 a.m. (New York City time) on such date from or on behalf of the Institution or the Issuer on account of such interest, principal or Sinking Fund Installment, the Trustee forthwith shall transfer moneys from the applicable Debt Service Reserve Account in the Debt Service Reserve Fund, first, to such Interest Account, second to such Principal Account, and third, to such Sinking Fund Installment Account, all to the extent necessary to make good any such deficiency, all pursuant to the Bond Indenture.

Upon the occurrence of an Event of Default under the Bond Indenture and the exercise by the Trustee of remedies in the Loan Agreement and the Bond Indenture, any moneys in the Debt Service Reserve Fund shall be transferred by the Trustee to the Bond Fund and applied in accordance with the Bond Indenture, notice of which shall be given by the Trustee to the Institution, the Issuer and the Bondholders. On the Loan Payment Date next preceding the final maturity date of a Series of Bonds, any moneys in the applicable Debt Service Reserve Account in the Debt Service Reserve Fund shall be transferred to the Bond Fund and used to pay the principal and interest on the Bonds of such Series on the final maturity date.

The Trustee will 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 a Debt Service Reserve 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 Debt Service Reserve Account in 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

will not relieve the Issuer from any of its obligations under the Bond Indenture or any other obligor from any of its obligations under any of the Security Documents.

In the event that the Institution delivers written notice to the Trustee of its intention to redeem Bonds of a Series, the Institution may direct the Trustee to apply such amounts in the applicable Debt Service Reserve Account in the Debt Service Reserve Fund to effect such redemption such that the amount remaining in the Debt Service Reserve Account in the Debt Service Reserve Fund upon such redemption shall not be less than the reduced Debt Service Reserve Fund Requirement as will be applicable to the remainder of the Bonds of such Series Outstanding.

Project Fund

On the Closing Date, the Trustee shall deposit a portion of the proceeds of the Series 2021 Bonds into the Project Fund. The Trustee is authorized to disburse from the Project Fund, pursuant to the terms of the Bond Indenture, amounts required to pay (in whole or in part) the Project Costs, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the Institution.

Additional Bonds

So long as the Series 2021 Notes, the Loan Agreement and the other Security Documents are each in effect, and the prior written consent of the Holders of at least sixty-six and two-thirds percent (66-2/3%) in the aggregate principal amount of the Bonds shall have been obtained, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) completing the Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions or improvements to the Facility, the purpose of which shall be for the Approved Project Operations, or (iv) refunding Outstanding Bonds. Such Additional Bonds shall be payable from the loan payments, receipts and revenues of the Facility including such extensions, additions and improvements thereto. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, the Issuer and the Institution shall enter into an amendment to the Loan Agreement, and the Institution shall execute new promissory notes, 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 Series 2021 Notes shall be increased and computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith. In addition, Additional Bonds may be issued only upon receipt by the Trustee of certain items specified in the Bond Indenture.

Each Series of Additional Bonds shall be equally and ratably secured under the Bond Indenture with the Series 2021 Bonds and all other Series of Additional Bonds, if any, issued pursuant to the Bond Indenture, without preference, priority or distinction of any Series 2021 Bond over any other Series 2021 Bonds except as expressly provided in or permitted by the Bond Indenture.

Defeasance

Upon certain terms and conditions specified in the Bond Indenture, including provision for the payment of such Series 2021 Bonds, the Series 2021 Bonds or portions thereof will be deemed to be paid and the security provided in the Bond Indenture and the Mortgage may be discharged prior to maturity or redemption of the Series 2021 Bonds. In that case, the Series 2021 Bonds will be secured solely by the cash and securities deposited with the Trustee for such purpose. See “APPENDIX E - FORM OF BOND INDENTURE – Discharge of Indenture; Defeasance” in this Limited Offering Memorandum.

INVESTOR SUITABILITY STANDARDS

The Series 2021 Bonds are being offered only to Qualified Institutional Buyers and Accredited Investors.

Each purchaser of the Series 2021 Bonds, or their representative, is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of municipal and other tax-exempt and taxable debt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Series 2021 Bonds, and it is capable of and has made its own investigation of the Institution, the School and the Facility in connection with its decision to purchase the Series 2021 Bonds on its own behalf or on behalf of the purchaser's representative.

RISK FACTORS

No person should purchase any Series 2021 Bonds without carefully reviewing the following information, which summarizes some, but not all, factors that should be carefully considered before such purchase.

Nature of Special, Limited Obligations

THE SERIES 2021 BONDS ARE SPECIAL LIMITED REVENUE OBLIGATIONS OF THE ISSUER, PAYABLE AS TO PRINCIPAL, REDEMPTION PRICE AND INTEREST, SOLELY FROM THE TRUST ESTATE AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND INDENTURE. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2021 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 2021 BONDS. THE SERIES 2021 BONDS WILL NOT BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE PLEDGED THEREFOR PURSUANT TO THE BOND INDENTURE. THE SERIES 2021 BONDS WILL NOT GIVE RISE TO A PECUNIARY LIABILITY OR CHARGE AGAINST THE CREDIT OR TAXING POWERS OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY. NO RECOURSE WILL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE SERIES 2021 BONDS AGAINST ANY MEMBER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

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

Payment of principal of, premium, if any, and interest on, the Series 2021 Bonds is intended to be made from loan payments made by the Institution under the Loan Agreement, except to the extent payment is intended to be made from other amounts held under the Bond Indenture such as Series 2021 Bond proceeds or investment earnings. The Institution has no significant assets or business other than its leasehold interest in the Facilities. The ability of the Institution to make loan payments will depend on the Institution's ability to generate revenues sufficient to pay the loan payments, which will primarily depend on the ability of the School to make payments under the Sublease. The terms of the Subleases do not extend through the maturity date of the Series 2021 Bonds, but are subject to extension and early termination. See "REDEMPTION OF SERIES 2021 BONDS" "APPENDIX J-1 – FORM OF ANDREWS AVENUE NORTH SUBLEASE," "APPENDIX J-2 – FORM OF 413 EAST 144TH STREET SUBLEASE," and "APPENDIX J-3 – FORM OF COURTLANDT AVENUE SUBLEASE" and "APPENDIX A" in this Limited Offering Memorandum.

The School's primary source of income is state education funding. See "CHARTER SCHOOL FUNDING IN THE STATE OF NEW YORK" in this Limited Offering Memorandum. Prior enrollment history of the School is no guarantee of future enrollment and revenues. See "APPENDIX A" in this Limited Offering Memorandum.

The amounts and the timing of future revenues of the School cannot be determined with assurance. Prior revenues and expenditures of the School are no guarantee as to future revenue and expenditures of the School. Any event that would cause a delay, reduction or elimination of state education funding would have a material adverse effect on the ability of the School to pay rent under the Sublease.

No Taxing Authority; Dependence on Education Aid Payments

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

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

The regulations adopted by the New York State Commissioner of Education (the "Commissioner") provide that a charter school shall notify the Commissioner in the event that a school district fails to make a required bi-monthly Education Aid Payment to a charter school such as the School. Such notice shall be given subsequent to the date a bi-monthly payment is due, but in no event later than May 31 of the school year in which such payments are due. Upon receipt of such notice, the Commissioner must certify to the State Comptroller (the "Comptroller") the amount of the unpaid obligation of the school district, which said amount shall be deducted from any Education Aid Payment due to such school district and instead will be paid directly by the Comptroller to the School. There can be no assurance of the timing of receipt of any such amounts so paid by the Comptroller.

Delay in or Termination or Reduction of Education Aid Payments

Even though the State is obligated under its Constitution to provide for the maintenance and support of a system of free common schools, it is not obligated either to continue to authorize the operation of charter schools or to continue its current system of Education Aid Payments. Any change in the Charter Schools Act or in the provisions of the State Education Law relating to the appropriation of Education Aid Payments or failure by the State Legislature to appropriate funds sufficient to fund the operation of charter schools could have a material adverse effect on the ability of the School to make the payments of rent under the Sublease and therefore on the ability of the Institution to make loan payments under the Loan Agreement representing debt service on the Series 2021 Bonds.

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

Impact of the Covid-19 Pandemic on the Finances of the School

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization. The Governor of the State of New York declared a state of emergency, which has since been lifted. Nevertheless, the continued spread of COVID-19 and the continued impact on social interaction, travel, economies and financial markets may adversely impact the School's finances and operations. The continued spread of COVID-19 and its related impacts may (a) adversely affect the ability of the School to conduct its normal operations and/or may adversely affect the cost of, or revenue derived from, operations, or both, (b) adversely affect financial markets generally and consequently adversely affect the returns on, and value of, the School's investments and liquidity and (c) adversely affect the secondary market for, and value of, the Series 2021 Bonds. In addition, such factors may limit the sources of liquidity available in ordinary markets, and adversely impact the School's ability to access capital markets generally. The School is monitoring developments and the directives of federal, state and local officials to determine what additional precautions and procedures may need to be implemented by the School in the event of the continued spread of COVID-19. The full impact of COVID-19 and the scope of any adverse impact on the School's finances and operations cannot be fully determined at this time. Other adverse consequences of COVID-19 may include, but are not limited to, decline in net revenue.

For additional information about the impact of COVID-19 on the School, see "APPENDIX A – Impacts of COVID-19" in this Limited Offering Memorandum.

Impact of the COVID-19 Pandemic on the Finances of the State

Due principally to the COVID-19 pandemic, reduced receipts are expected through State fiscal year 2024. According to the four year financial plan released by the State on May 8, 2020, as a result of the COVID-19 pandemic, State spending may be significantly reduced. Such reductions may include reductions to "aid to localities" which includes State aid to school districts, including the School District. Any significant reductions or delays in the payment of State aid could adversely affect the financial condition of school districts in the State.

Projections

The Financial Projections (the "Projections") prepared by the School and contained in "APPENDIX A – Projected Financial Information for Brilla" are based upon certain assumptions made by the School. No assurance can be given that the results described in the Projections will be achieved. The School does not intend to issue additional Projections and, accordingly, there are risks inherent in using the Projections in the future as the Projections become outdated. The Projections are only for fiscal years ending June 30, 2022 through June 30, 2025 and do not cover the entire period during which the Series 2021 Bonds may be outstanding. The Projections will not be updated to reflect the final pricing of the Series 2021 Bonds. See "APPENDIX A – Projected Financial Information for Brilla" in this Limited Offering Memorandum.

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

Termination, Revocation or Nonrenewal of the Charters

The School's charter may be terminated by SUNY or Board of Regents for the grounds set forth in the Charter. The Charters also provide that they may be terminated and revoked by mutual agreement of the parties. For more information regarding conditions under which the charters may be revoked, the revocation procedure, and other information regarding the Charters and the Charter Schools Act, see "CHARTER SCHOOL FUNDING IN THE STATE OF NEW YORK," "APPENDIX A - GENERAL," and "APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW" in this Limited Offering Memorandum.

While the School believes that it is in good standing with both SUNY and the Board of Regents and is in material compliance with the Charters, no assurance can be given that the School will be able to maintain such good standing in the future. In addition, even though the School does not anticipate any non-renewal or revocation of its Charters, there can be no assurance that neither SUNY nor the Board of Regents will revoke a Charter in the future or choose not to renew a Charter when it ends.

No Pledge of Revenues by the School

Under New York law, the School may not legally assign or pledge any interest in public education aid payable to the School pursuant to the Charter Schools Act to secure its obligations under the Sublease Agreement and therefore the Institution cannot assign that revenue pledge to the Trustee. In the event of a bankruptcy or insolvency of the School, the lack of a revenue pledge could adversely impact the Trustee's ability to secure revenues for the benefit of the Bondholders.

Factors Associated with Education

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

Potential Unionization

The teachers and staff at the School are not unionized, although no assurance can be given that they will not unionize or attempt to unionize in the future.

Competition for Students

As an operator of charter schools in New York City, the School's catchment area is the entire city. No assurance can be given that the School will attract and retain the number of students that are needed to

produce revenue necessary to pay the principal of and interest on the Series 2021 Bonds, or that additional competing schools will not be created in or near the School's respective service areas.

Foreclosure Delays and Deficiency

Should loan payments be insufficient to pay the principal of and interest on the Series 2021 Bonds, the Trustee may seek to foreclose on the or sell the Institution's leasehold interests in the Facilities securing the Series 2021 Bonds. However, no assurance can be given that the value of Institution's leasehold interests in the Facility at the time of such foreclosure or sale would be sufficient to meet all remaining principal and interest payments on the Series 2021 Bonds. In addition, the time necessary to institute and complete such proceedings could substantially delay receipt of funds from a foreclosure or sale. There could also be delays in regaining possession of the Facilities from the Institution and the School in the event of any default or dispute under the Loan Agreement.

Effect of Federal Bankruptcy Laws on Security for the Series 2021 Bonds

Bankruptcy proceedings and equity principles may delay or otherwise adversely affect the enforcement of Bondholders' rights in the property granted as security for the Series 2021 Bonds. Furthermore, if the security for the Series 2021 Bonds is inadequate for payment in full of the Series 2021 Bonds, bankruptcy proceedings and equity principles may also limit any attempt by the Trustee to seek payment from other property of the Institution, if any. Also, federal bankruptcy law permits adoption of a reorganization plan, even though it has not been accepted by the holders of a majority in the aggregate principal amount of the Series 2021 Bonds, if the Bondholders are provided with the benefit of their original lien or the "indubitable equivalent." In addition, if the bankruptcy court concludes that the Bondholders have "adequate protection," it may (i) substitute other security subject to the lien of the Bondholders, and (ii) subordinate the lien of the Bondholders (a) to claims by persons supplying goods and services to the Institution after bankruptcy and (b) to the administrative expenses of the bankruptcy proceeding. The bankruptcy court may also have the power to invalidate certain provisions of the Mortgage that make bankruptcy and related proceedings by the Institution an event of default thereunder.

Litigation

Educational institutions like the School are often subject to litigation. Educator's professional liability and other actions alleging wrongful conduct and seeking punitive damages often are filed against education providers such as the School. Litigation may also arise from the corporate and operational activities of the School or from employee-related matters. As with educator's professional liability, many of these risks are covered by insurance but some are not.

For example, some contract disputes and worker's compensation claims are not covered by insurance or other sources, and may be a liability of the School if determined or settled adversely. Although the School maintains insurance policies covering educator's professional and general liability, management of the School is unable to predict the availability, cost or adequacy of such insurance in the future. Any inability of the School in the future to secure affordable, adequate insurance may expose the School to litigation risks that may adversely affect the School's ability to generate adequate funds to pay debt service on the Bonds.

Cybersecurity

Like many organizations, the School is highly dependent on digital technologies. These systems necessarily hold large quantities of highly sensitive protected information that is highly valued on the black market for such information. As a result, the electronic systems and networks of organizations like the School are considered likely targets for cyber-attacks and other potential breaches of their systems. In

addition to regulatory fines and penalties, the educational entities subject to the breaches may be liable for the costs of remediating the breaches, damages to individuals whose information has been breached, reputational damage and business loss, and damage to the information technology infrastructure. The School has taken, and continues to take, measures to protect its information technology system against such cyber-attacks, but there can be no assurance that the School will not experience a significant breach. If such a breach occurs, the financial consequences of such a breach could have a material adverse impact on the School.

Key Personnel

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

Forward-Looking Statements

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

No representation or assurance can be given that the School will realize revenues in an amount sufficient to make the required payments under the Sublease and therefore on the ability of the Institution to make loan payments under the Loan Agreement representing debt service on the Series 2021 Bonds. No market study or demand analysis has been prepared for the School to analyze the existing or future demand for the School's charter school educational services. The realization of future Revenues is dependent upon, among other things, the matters described in the foregoing paragraphs and future changes in economic and

other conditions that are unpredictable and cannot be determined at this time. The Underwriter makes no representation as to the accuracy of the projections contained herein or as to the assumptions on which the projections are based.

Property Tax Exemption

Under present State law and rulings, property used for charter school purposes is exempt from property taxes levied by political subdivisions of the State so long as such property is used for the exempt purpose of the Institution. Nevertheless, such laws, regulations and rulings are subject to change, and no assurance can be given that any future change in exempt status would not have a material adverse effect on the Institution. If the Institution is required to pay property taxes with respect to the Facility in the future, it would have a negative impact on the cashflow of the Institution. The Institution has assumed for purposes of the Projections that the Institution will be exempt from property taxes with respect to the Facility; however, no assurance can be given that such exemption will be granted.

Tax-Exempt Status of the Institution

The Institution is a Wyoming not-for-profit corporation. The Institution has been determined by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code. Under present federal law, regulations and rulings, the income and revenue of not-for-profit, 501(c)(3) qualified exempt organizations are exempt from federal income tax, except for any unrelated business income as defined in the Code, and their revenues are exempt from the State sales tax except for certain services. If the Institution fails to meet the requirements necessary to preserve its status as a not-for-profit corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Code, the Institution could be required to pay income tax on the payments in receives from the School pursuant to the Sublease which would adversely affect the Institution's ability in the future to make payments under the Loan Agreement representing debt service on the Series 2021 Bonds. In addition, if the Institution were to lose its tax-exempt status, the tax-exempt status of the Series 2021A Bonds also would be adversely affected and would cause a mandatory redemption of the Series 2021A Bonds. The Institution will covenant in the Loan Agreement that it will not take any actions or fail to take any actions, the result of which would adversely affect the Institution's status as a not-for-profit corporation and its status as a tax-exempt charitable organization under Section 501(c)(3) of the Code.

Tax-Exempt Status of the School

The School is a New York not-for-profit education corporation authorized to operate five (5) public charter schools. The School has been determined by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Code. Under present federal law, regulations and rulings, the income and revenue of not-for-profit, 501(c)(3) qualified exempt organizations are exempt from federal income tax, except for any unrelated business income as defined in the Code, and their revenues are exempt from the State sales tax except for certain services. If the School fails to meet the requirements necessary to preserve its status as a not-for-profit education corporation and a tax-exempt charitable organization under Section 501(c)(3) of the Code, the School could experience expenses which are greater than those projected in "APPENDIX A – Projected Financial Information" and revenues which are lower than those projected in "APPENDIX A – Projected Financial Information", which would adversely affect the School's ability in the future to pay the amount due under the Sublease and therefore adversely affect the Institution's ability to make loan payments under the Loan Agreement representing debt service on the Series 2021 Bonds. In addition, if the School were to lose its tax-exempt status, the tax-exempt status of the Series 2021A Bonds also would be adversely affected and would cause a mandatory redemption of the Series 2021A Bonds. The School will covenant in the Master Covenant Agreement that it will not take any actions or fail to take any actions, the result of which would adversely affect the School's status as a not-for-profit corporation and its status as a tax-exempt charitable organization under Section 501(c)(3) of the Code.

IRS Compliance Program

The Internal Revenue Service has an active program of conducting examinations of tax-exempt bonds through its Tax-Exempt and Government Entities Division (the "TE/GE Division"). Bond Counsel will render an opinion with respect to the tax-exempt status of interest on the Series 2021A Bonds, as described under the caption "TAX MATTERS" in this Limited Offering Memorandum. However, the Institution has not sought and is not expected to seek, a ruling from the Internal Revenue Service with respect to the tax-exempt status of the Series 2021A Bonds. No assurance can be given that the Internal Revenue Service will not examine the Series 2021A Bonds. If the Internal Revenue Service examines the Series 2021A Bonds, such examination may have an adverse impact on the marketability and price of the Series 2021A Bonds. See "TAX MATTERS" in this Limited Offering Memorandum.

Tax-Exempt Status of the Series 2021A Bonds

The tax-exempt status of the interest on the Series 2021A Bonds is conditioned upon the Institution and the School complying with the requirements of the Code and applicable Treasury Regulations as they relate to the Series 2021A Bonds. Failure of the Institution and the School to comply with the terms and conditions of the Loan Agreement, the Tax Certificate, the Bond Indenture, the Sublease and other documents as described herein may result in the loss of the tax-exempt status of the interest on the Series 2021A Bonds retroactive to the date of issuance of the Series 2021A Bonds. If interest on the Series 2021A Bonds should become includable in gross income for purposes of federal income taxation, the Series 2021A Bonds would be mandatorily redeemed. See "TAX MATTERS" in this Limited Offering Memorandum.

Changes in Law; Annual Appropriation; Inadequate Education Aid Payments

Future changes to the Charter Schools Act by the State Legislature could be adverse to the financial interests of the Institution and the School and could adversely affect the security and sources of payment for the Series 2021 Bonds. There can be no assurance given that the State Legislature will not in the future amend the Charter Schools Act in a manner which is adverse to the interests of the registered owners of the Series 2021 Bonds.

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

New York may experience downturns in its economy and tax revenues in the future. The provisions of the Charter Schools Act are subject to amendment by the State Legislature, including the reduction of State funding, which could adversely affect the School.

STATE BUDGET CONSIDERATIONS MAY ALSO ADVERSELY AFFECT APPROPRIATIONS FOR CHARTER SCHOOL FUNDING.

Damage or Destruction

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

event that the Facility is damaged or destroyed, no assurance can be given that the School would be able to find a similar replacement school facility at a comparable cost or in a comparable location.

Environmental Risks & Hazardous Materials

The Facility is subject to various federal, State and local laws and regulations relating to human health and safety and the environment. In general, these laws and regulations could require the owner of the Facilities to implement mitigation to reduce the environmental impacts of the Facilities or to remediate adverse environmental conditions on or relating to the Facility, regardless of whether arising from preexisting conditions or arising because of the activities conducted in connection with the ownership and operation of the Facilities. Moreover, these laws and regulations can and often do change through legislative, judicial, or regulatory activities. The School had Phase I Environmental Site Assessments for each of the Facilities. Such reports are available to investors upon request of the Institution and/or School.

Hazardous materials laws, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, impose joint and several liability, without regard to fault, for investigation and clean-up costs on persons who have disposed of or released hazardous substances into the environment and on current and former owners and operators of real property. The Institution will own a leasehold interest in the Facilities, and the Institution's leasehold interest in Facilities will serve to secure the Series 2021 Bonds pursuant to the Mortgages which is granted to the Issuer and the Trustee and assigned to the Trustee.

In connection with the issuance of the Series 2021 Bonds, Phase I Environmental Site Assessments for each of the Andrews Avenue North Facility (the "AAN Phase I"), the Courtlandt Avenue Facility (the "CA Phase I"), and the East 144th Street Facility (the "144 Phase I") were performed. The AAN Phase I shows that there were no recognized environmental conditions ("RECs"), historic recognized environmental conditions ("HCRECs") or controlled recognized environmental conditions ("CRECs") identified for the site. However, environmental concerns relating to fluorescent light ballasts and possible asbestos containing materials were identified. No evidence of leakage was identified relating to the fluorescent lights and, subsequent to the date of the AAN Phase I, an asbestos monitoring and abatement project was undertaken with a close-out report issued in April 2020. The CA Phase I dated July 2021 shows no RECs, CRECs or HRECs. However, environmental concerns relating to fluorescent light ballasts and possible asbestos containing materials were identified. No evidence of leakage was identified relating to the fluorescent lights. The 144 Phase I dated June 2021 shows no RECs, CRECs or HRECs and lists one environmental concern relating to fluorescent lights, with no evidence of leakage identified. Based on the AAN Phase I, CA Phase I and 144th Phase I reports showing no RECs, HRECs or CRECs, there are no immediate plans for additional remediation efforts at the Leased Facilities at this time.

Environmental Regulations

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

Limited Nature of Appraisal

An appraisal for the site of the Andrews Avenue North Facility, dated September 6, 2019 (the "AAN Appraisal"), an appraisal for the Courtlandt Avenue Facility, dated August 12, 2016 (the "CA Appraisal"), and an appraisal for the East 144th Street Facility, dated September 29, 2015 (the "144 Appraisal") were provided. The AAN Appraisal values the leasehold value of the Andrews Avenue North Facility at $12,410,000 upon completion of the improvements at the Facility. The CA Appraisal values the leasehold interest of the Courtlandt Avenue Facility at $6,350,000. The 144 Appraisal values the leasehold interest of the East 144th Street Facility at $10,300,000. Such reports are available to investors upon request of the Institution and/or School.

Enforcement of Remedies

The remedies available to the Trustee or the registered owners of the Series 2021 Bonds upon an Event of Default under the Bond Indenture or the Loan Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, the remedies provided in the Bond Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the sovereign powers of the State and the constitutional powers of the United States of America, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Inability to Liquidate or Delay in Liquidating the Mortgaged Property

An Event of Default gives the Master Trustee the right to possession of, and the right to sell the Institution's leasehold interest in the Mortgaged Property pursuant to a foreclosure sale under the Mortgage. The Mortgaged Property consists of special purpose facilities with limited alternative purposes based upon design and construction of buildings, zoning and other facilities. There can be no assurance that if any Event of Default were to occur (i) any or all of the Institution's leasehold interest in the Mortgaged Property could be foreclosed upon or sold for an amount sufficient to pay principal of and interest on the outstanding Series 2021 Bonds, or (ii) any bid would be received for the Institution's leasehold interest in the Mortgaged Property and, if received, would be sufficient to fully pay the principal of and interest on the Series 2021 Bonds. Any sale of the Institution's leasehold interest in the Mortgaged Property would require compliance with the laws of the State applicable thereto. Such compliance might be difficult, time-consuming and expensive. Any delays in the ability of the Master Trustee to foreclose on the Mortgage would result in delays in the payment of the Series 2021 Bonds.

The Facilities are designed for use as a public charter school and may not be readily adaptable to other uses. Additionally, the Bond Indenture and the Loan Agreement require the consent of the Issuer before any substitute use of the Facilities is implemented. As a result, in the event of a sale of the Institution's leasehold interest in the Mortgaged Property, the number of uses that could be made of the property, and the number of entities which would be interested in purchasing the Institution's leasehold interest in the Mortgaged Property, could be limited and the sale price could thus be adversely affected. The location of the Mortgaged Property might also limit the number of potential purchasers. The ability of the Master Trustee to sell the Institution's leasehold interest in the Mortgaged Property to third parties, thereby liquidating the investment, would be limited as a result of the nature of the Mortgaged Property. For these reasons, no assurance can be made that the amount realized upon any sale of the Institution's leasehold interest in the Mortgaged Property would be fully sufficient to pay and discharge the Series 2021 Bonds. In particular, there can be no representation that the cost of the property included in the Mortgaged Property would constitute a realizable amount upon any forced sale thereof. In the event the Master Trustee took possession of the Mortgaged Property, the Mortgaged Property might be subject to real property

taxation, which would adversely impact the amount realized upon any sale of the Institution's leasehold interest in the Mortgaged Property that could be used to pay and discharge the Series 2021 Bonds.

Failure to Provide Ongoing Disclosure

The Institution and the School will enter into the Continuing Disclosure Agreement pursuant to Rule 15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). Neither the Institution nor the School has previously been subject to a continuing disclosure undertaking under Rule 15c2-12. Failure by the Institution or the School to comply with the Continuing Disclosure Agreement and the Rule may adversely affect the liquidity of the Series 2021 Bonds and their market price in the secondary market. See "CONTINUING DISCLOSURE" and "APPENDIX I - FORM OF CONTINUING DISCLOSURE AGREEMENT" in this Limited Offering Memorandum.

Private School Vouchers

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

Redemption Prior to Maturity

The Series 2021 Bonds are subject to redemption at the option of the Institution and in the event of certain occurrences. See "THE SERIES 2021 BONDS - Redemption of Series 2021 Bonds" in this Limited Offering Memorandum.

Conclusion

AN INVESTMENT IN THE SERIES 2021 BONDS INVOLVES A HIGH DEGREE OF RISK AND IS SPECULATIVE IN NATURE. The relatively high interest rate borne by the Series 2021 Bonds (as compared to prevailing interest rates on more secure bonds such as those that constitute general obligations of fiscally sound municipalities or states or creditworthy borrowers) is intended to compensate the investor for assuming this element of risk. Each prospective investor should carefully examine this Limited Offering Memorandum, and the Appendices hereto, and such investor's own financial condition in order to make a judgment as to whether the Series 2021 Bonds are an appropriate investment for such investor.

AUDITED FINANCIAL STATEMENTS OF THE SCHOOL AND INSTITUTION

The audited financial statements of the School for the fiscal year ended June 30, 2021 (the "Audited Financial Statements") are included in this Limited Offering Memorandum as APPENDIX C-1. The financial statements in APPENDIX C-1 were audited by Mengel Mezger Barr & Co. LLP, independent auditors, as stated in their report thereon. See "APPENDIX C-1 - AUDITED FINANCIAL STATEMENTS OF BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS FOR THE FISCAL YEAR ENDED JUNE 30, 2021" in this Limited Offering Memorandum. The financial statements for the fiscal year ended June 30, 2021 are the most recent audited financial statements available for the School. The audited financial statements for the Institution for the years ended June 30, 2020 and June 30, 2019 are included in this Limited Offering Memorandum as APPENDIX C-2. The financial statements in APPENDIX C-2 were audited by D.K. Weiss, Holt & Associates, PLLC, independent auditors, as stated in their report thereon. See "APPENDIX C-2 - AUDITED FINANCIAL STATEMENTS OF SETON EDUCATION PARTNERS FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019" in this Limited Offering Memorandum.

THE PROJECTIONS

The School has prepared the Projections and related assumptions included in "APPENDIX A - Projected Financial Information" in this Limited Offering Memorandum. The Projections are based on the assumptions made by management of the School as to, among other things, future enrollment levels, future costs and future revenues. The Projections are for the four fiscal years of the School ending June 30, 2022 through June 30, 2025. The Projections will not be updated to reflect the final pricing of the Series 2021 Bonds. The Projections (including the notes thereto) should be read in their entirety.

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

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

TAX MATTERS – SERIES 2021A BONDS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2021A Bonds for interest thereon to be and remain excluded from gross income for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Series 2021A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2021A Bonds. Pursuant to the Indenture, the Loan Agreement, the Use Agreement, and the Tax Regulatory Agreement, by and between the Issuer, the Institution and the School (the "Tax Certificate"), the Issuer, the Institution and the School have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2021A Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer, the Institution and the School have made certain representations and certifications in the Indenture, the Loan Agreement, the Use Agreement and the Tax Certificate. Bond Counsel will also rely on the opinion of counsel to the Institution and to the School as to all matters concerning (a) the status of the Institution and the School as organizations described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code, and (b) that the intended use of the facilities financed or refinanced with proceeds of Series 2021A Bonds will be in furtherance of the Institution's and the School's exempt purposes under Section 501(c)(3) of the Code. Bond Counsel will not independently verify the accuracy of those representations and certifications or those opinions.

In the opinion of Nixon Peabody LLP, Bond Counsel, under existing law and assuming compliance with the aforementioned covenant, and the accuracy of certain representations and certifications made by the Issuer, the Institution and the School described above, interest on the Series 2021A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

State Taxes

Bond Counsel is also of the opinion that, under existing law, interest on the Series 2021A Bonds is exempt from personal income taxation imposed by the State of New York or any political subdivision of the State of New York, including The City of New York, assuming compliance with tax covenants and the accuracy of the representations and certifications described under the heading "Federal Income Taxes" above. Bond Counsel expresses no opinion as to other State of New York or local tax consequences arising with respect to the Series 2021A Bonds nor as to the taxability of the Series 2021A Bonds or the income therefrom under the laws of any state other than the State of New York.

Original Issue Premium

Series 2021A Bonds sold at prices in excess of their principal amounts are "Premium Bonds". An initial purchaser with an initial adjusted basis in a Premium Bond in excess of its principal amount will have amortizable bond premium which offsets the amount of tax-exempt interest and is not deductible from gross income for federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of each Premium Bond based on the purchaser's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, over the period to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). For purposes of determining gain or loss on the sale or other disposition of a Premium Bond, an initial purchaser who acquires such obligation with an amortizable bond premium is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Series 2021A Bonds. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Ancillary Tax Matters

Ownership of the Series 2021A Bonds may result in other federal tax consequences to certain taxpayers, including, without limitation, certain S corporations, foreign corporations with branches in the United States, property and casualty insurance companies, individuals receiving Social Security or Railroad Retirement benefits, individuals seeking to claim the earned income credit, and taxpayers (including banks, thrift institutions and other financial institutions) who may be deemed to have incurred or continued indebtedness to purchase or to carry the Series 2021A Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2021A Bonds is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. In addition, interest on the Series 2021A Bonds may be subject to backup withholding if such interest is paid to a registered owner that (a) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the manner required by the IRS, or (b) has been identified by the IRS as being subject to backup withholding.

Bond Counsel is not rendering any opinion as to any federal tax matters other than those described in the opinions attached as Appendix E. Prospective investors, particularly those who may be subject to special rules described above, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021A Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Series 2021A Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2021A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion of the interest on the Series 2021A Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2021A Bonds may occur. Prospective purchasers of the Series 2021A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2021A Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2021A Bonds may affect the tax status of interest on the Series 2021A Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2021A Bonds, or the interest thereon, if any action is taken with respect to the Series 2021A Bonds or the proceeds thereof upon the advice or approval of other counsel.

TAX MATTERS – SERIES 2021B BONDS

Federal Income Taxes

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Series 2021B Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Series 2021B Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Series 2021B Bonds as a hedge against currency risks or as a position in a "straddle," "hedge," "constructive sale transaction" or "conversion transaction" for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Series 2021B Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Series 2021B Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Series 2021B Bonds.

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

U.S. Holders

As used herein, the term "**U.S. Holder**" means a beneficial owner of Series 2021B Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under

the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Series 2021B Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Series 2021B Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Series 2021B Bonds.

Taxation of Interest Generally

Interest on the Series 2021B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Series 2021B Bonds. In general, interest paid on the Series 2021B Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder's adjusted tax basis in the Series 2021B Bonds and capital gain to the extent of any excess received over such basis.

Recognition of Income Generally

Section 451(b) of the Code provides that purchasers using an accrual method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such purchaser. In this regard, Treasury Regulations provide that, with the exception of certain fees, the rule in section 451(b) will generally not apply to the timing rules for original issue discount and market discount, or to the timing rules for de minimis original issue discount and market discount. Prospective purchasers of the Series 2021B Bonds should consult their own tax advisors regarding any potential applicability of these rules and their impact on the timing of the recognition of income related to the Series 2021B Bonds under the Code.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Series 2021B Bonds issued with original issue discount ("Taxable Discount Bonds"). A Series 2021B Bond will be treated as having been issued with an original issue discount if the excess of its "stated redemption price at maturity" (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Series 2021B Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Series 2021B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Series 2021B Bond's "stated redemption price at maturity" is the total of all payments provided by the Series 2021B Bond that are not payments of "qualified stated interest." Generally, the term "qualified stated interest" includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Taxable Discount Bond is the sum of the "daily portions" of original issue discount with respect to such Taxable Discount Bond for each day during the taxable year in which such holder held such Series 2021B Bond. The daily portion of original issue discount on any Taxable Discount Bond is determined by allocating to each day in any "accrual period" a ratable portion of the original issue discount allocable to that accrual period.

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

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a Series 2021B Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Market Discount

A holder who purchases a Series 2021B Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such holder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Series 2021B Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder on or after the first day of the taxable year to which such election applies.

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

A holder of a Series 2021B Bond who acquires such Series 2021B Bond at a market discount also may be required to defer, until the maturity date of such Series 2021B Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Series 2021B Bond in excess of the aggregate amount of interest (including original issue discount) includable in such holder's gross income for the taxable year with respect to such Series 2021B Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Series

2021B Bond for the days during the taxable year on which the holder held the Series 2021B Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Series 2021B Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondholder elects to include such market discount in income currently as described above.

Bond Premium

A holder of a Series 2021B Bond who purchases such Series 2021B Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Series 2021B Bonds held by the holder on the first day of the taxable year to which the election applies and to all Series 2021B Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Series 2021B Bonds who acquire such Series 2021B Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Series 2021B Bonds.

Surtax on Unearned Income

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

Sale or Redemption of Bonds

A bondholder's adjusted tax basis for a Series 2021B Bond is the price such holder pays for the Series 2021B Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Series 2021B Bond other than "qualified stated interest" and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2021B Bond, measured by the difference between the amount realized and the bondholder's tax basis as so adjusted, will generally give rise to capital gain or loss if the Series 2021B Bond is held as a capital asset (except in the case of Series 2021B Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a Series 2021B Bond are materially modified, in certain circumstances, a new debt obligation would be deemed "reissued", or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Series 2021B Bond under the defeasance provisions of the Indenture could result in a deemed sale or exchange of such Series 2021B Bond.

EACH POTENTIAL HOLDER OF SERIES 2021B BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SERIES 2021B BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SERIES 2021B BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Series 2021B Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a "**Non-U.S. Holder**").

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act ("**FATCA**"), payments of principal by the Issuer or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10 percent or more of the voting equity interests of the Issuer, (2) is not a controlled foreign corporation for United States tax purposes that is related to the Issuer (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to the Issuer, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers' securities in the ordinary course of its trade or business and that also holds the Series 2021B Bonds must certify to the Issuer or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

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

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Series 2021B Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Series 2021B Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Series 2021B Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Series 2021B Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Series 2021B Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, bondholders or beneficial owners of the Series 2021B Bonds shall have no recourse against the Issuer, nor will the Issuer be obligated to pay any additional amounts to "gross up" payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Series 2021B Bonds. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of "withholdable payment" for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Series 2021B Bonds.

Information Reporting and Backup Withholding

For each calendar year in which the Series 2021B Bonds are outstanding, the Issuer, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder's name, address and taxpayer identification number (either the holder's Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, the Issuer, its agents or paying agents or a broker may be required to make "backup" withholding of tax on each payment of interest or principal on the Series 2021B Bonds. This backup withholding is not an additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

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

Payments of the proceeds from the sale of a Series 2021B Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Series 2021B Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Series 2021B Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

State Taxes

Interest on the Series 2021B Bonds is not exempt from personal income taxes of the State of New York and its political subdivisions, including The City of New York. Bond Counsel expresses no opinion as to other state or local tax law consequences arising with respect to the Series 2021B Bonds nor as to the taxability of the Series 2021B Bonds or the income derived therefrom under the laws of any jurisdiction other than the State of New York.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the Series 2021B Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2021B Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Series 2021B Bonds. Prospective purchasers of the Series 2021B Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2021B Bonds.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SERIES 2021B BONDS.

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

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA ("ERISA Plans"). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein ("Qualified Retirement Plans"), and on Individual Retirement Accounts ("IRAs") described in Section 408(b) of the Code (collectively, "Tax-Favored Plans"). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) ("Governmental Plans"), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) ("Church Plans"), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law ("Similar Laws") which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2021 Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying

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

Certain transactions involving the purchase, holding or transfer of the Series 2021 Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of the Issuer, the Institution or the School were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the "Plan Assets Regulation"), the assets of the Issuer, the Institution or the School would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 only of the Code if the Benefit Plan acquires an "equity interest" in the Issuer, the Institution or the School and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there is little guidance on this matter, it appears that the Series 2021 Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2021 Bonds, including the reasonable expectation of purchasers of Series 2021 Bonds that the Series 2021 Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features.

However, without regard to whether the Series 2021 Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2021 Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the Issuer, the Institution, the School, the Trustee, the Underwriter or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2021 Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2021 Bond. Included among these exemptions are: Prohibited Transaction Class Exemption ("PTCE") 96-23, regarding transactions effected by certain "in-house asset managers"; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by "insurance company general accounts"; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by "qualified professional asset managers." Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving "adequate consideration" with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate's) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2021 Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2021 Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to represent and warrant that either (i) it is not acquiring the Series 2021 Bond (or interest therein) with the assets of a Benefit Plan, Governmental plan or Church plan; or (ii) the acquisition and holding of the Series 2021 Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws. A purchaser or transferee who acquires Series 2021 Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

Because the Issuer, the Institution, the School, the Trustee, the Underwriter or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2021 Bonds, the purchase of the Series 2021 Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2021 Bonds using plan assets of a Benefit Plan should consult with its counsel if the Issuer, the Institution, the School, the Trustee, the Underwriter or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2021 Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws

LEGAL MATTERS

Certain legal matters incident to the issuance and sale of the Series 2021 Bonds and with regard to the tax-exempt status of interest on the Series 2021A Bonds under existing laws are subject to the legal opinion of Nixon Peabody LLP, New York, New York, as Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Issuer by its General Counsel, for the Institution and the School by its special counsel, Hunton Andrews Kurth LLP, Austin, Texas, and for the Underwriter by its counsel, Arent Fox LLP, Washington, DC.

CONTINUING DISCLOSURE

The Rule imposes continuing disclosure obligations on the issuers of certain state and municipal securities to permit participating underwriters to offer and sell the issuer's securities. In order to comply with the requirements of the Rule, the Institution and the School will enter into a Continuing Disclosure Agreement, dated as of the date of issuance of the Series 2021 Bonds. Neither the Institution nor the School has been subject to any prior continuing disclosure undertakings or obligations under Rule 15c2-12. See "APPENDIX I - FORM OF CONTINUING DISCLOSURE AGREEMENT" in this Limited Offering Memorandum.

The Issuer does not have any obligation with respect to the Continuing Disclosure Agreement because the Issuer is not an "obligated party" under the terms of Rule 15c2-12. The Issuer will not monitor the compliance by the Institution and the School with the terms of the Continuing Disclosure Agreement.

RATING

BB+ stable outlook from S&P Global Ratings

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") has assigned its municipal bond rating of "BB+" to the 2021 Bonds, accompanied by a Stable Outlook, based on the creditworthiness of the Institution and other factors affecting the overall education sector.

Certain information and materials not included in this Limited Offering Memorandum was furnished to S&P. Generally, such Rating Service bases its ratings on information and materials so furnished and on investigations, studies and assumptions by such Rating Service. The rating and outlook assigned to the 2021 Bonds reflects only the views of such Rating Service at the time such rating was issued, and an explanation of the significance of such rating and outlook may be obtained only from such Rating Service. Such rating and outlook are not a recommendation to buy, sell or hold the 2021 Bonds. There is no assurance that any such rating or outlook will continue for any given period of time or that they will not be lowered or withdrawn entirely by such Rating Service if, in its judgment, circumstances so warrant. Any such downward revision of such rating or outlook or withdrawal of such rating may have an adverse effect on the market price of the 2021 Bonds.

LITIGATION

The Issuer

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

The Institution

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

The Institution is not aware of any pending or threatened litigation that would have a material financial or operational impact on the Institution.

The School

No litigation, investigations or proceedings are now pending or, to the best knowledge of the School, are threatened against the School which would have a materially adverse effect on the financial condition or operations of the School or in any manner challenge or adversely affect the corporate existence or power of the School to enter into and carry out the transactions described in or contemplated by, or the execution, delivery, validity or performance by the School under the Use Agreement, the Sublease Agreement, the Continuing Disclosure Agreement, the Tax Certificate, the Master Covenant Agreement or the Bond Purchase Agreement, as appropriate.

The School is not aware of any pending or threatened litigation that would have a material financial or operational impact on the School.

UNDERWRITING

The Series 2021 Bonds will be purchased by RBC Capital Markets, LLC, New York, New York (the "Underwriter"). The Underwriter has agreed to purchase the Series 2021 Bonds, for a purchase price of $16,906,970.50, which amount represents the principal amount of the Series 2021 Bonds, $15,245,000, less the Underwriter's discount of $152,638.75, plus an original issue premium of $1,814,609.25. The Underwriter is purchasing the Series 2021 Bonds pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") among the Issuer, the Institution, the School and the Underwriter. The Bond Purchase Agreement also provides that the Institution will pay miscellaneous out-of-pocket expenses of the Underwriter. The Bond Purchase Agreement provides that the Underwriter will purchase all Series 2021 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel, and certain other conditions. Expenses associated with the issuance of the Series 2021 Bonds are being paid by the Institution from proceeds of the Series 2021 Bonds and from other funds available to the Institution. The right of the Underwriter to receive compensation in connection with the Series 2021 Bonds is contingent upon the actual sale and delivery of the Series 2021 Bonds. The initial offering prices set forth on the inside front cover hereof may be changed from time to time by the Underwriter. The Underwriter reserves the right to join with dealers and other investment banking firms in offering the Series 2021 Bonds to the public. The Institution and the School have agreed under the Bond Purchase Agreement to indemnify the Underwriter and the Issuer against certain liabilities, including certain liabilities under federal and state securities laws.

Ordinary Course of Business Activities/Relationships Disclosure

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and/or the Institution. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or the Institution.

MISCELLANEOUS

The foregoing does not purport to be comprehensive or definitive, and all references to any document herein are qualified in their entirety by reference to each such document. All references to the Series 2021 Bonds are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the aforesaid documents. Copies of these documents are available for inspection during the period of the offering at the offices of the Underwriter in New York, New York and thereafter at the principal corporate trust office of the Trustee. In addition to certain information provided herein, all information contained in Appendices A, B, C, D, and E has been provided by the Institution or the School or been derived from information provided by the Institution or the School. The Underwriter makes no representations or warranties as to the accuracy or completeness of the information in any of the Appendices.

No Registration of the Series 2021 Bonds

Registration or qualification of the offer and sale of the Series 2021 Bonds (as distinguished from registration of the ownership of the Series 2021 Bonds) is not required under the Securities Act. THE INSTITUTION ASSUMES NO RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SERIES 2021 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SERIES 2021 BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

Financial Advisor

Wye River Group, Incorporated, Annapolis, Maryland ("Wye River"), serves as financial advisor to the Borrower. Wye River has provided services to the Institution in connection with the Series 2021 Bonds and has assisted in the preparation of this Limited Offering Memorandum. Wye River has not undertaken to make an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in the Limited Offering Memorandum.

Interest of Certain Persons Named in this Limited Offering Memorandum

The fees to be paid to counsel to the Institution, counsel to the Underwriter, the Trustee and the Underwriter are contingent upon the sale and delivery of the Series 2021 Bonds.

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Limited Offering Memorandum Certification

The Institution, the School and the Issuer have authorized and approved the use and distribution of this Limited Offering Memorandum. The Issuer has not reviewed or approved any matters herein and assumes no responsibility for the accuracy or completeness of the information herein except for the information under the caption "THE ISSUER" and "LITIGATION - The Issuer" in this Limited Offering Memorandum.

The preparation of this Limited Offering Memorandum and its distribution has been authorized by the Institution and the School. This Limited Offering Memorandum is not to be construed as an agreement or contract between the Institution or the School and any purchaser, owner or holder of any Series 2021 Bond.

SETON EDUCATION PARTNERS, a Wyoming not-for-profit corporation

By: */s/ Matt Salvatierra*
Its: Chief Financial Officer

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS, a New York not-for-profit corporation

By: */s/ Eric J. Eckholdt*
Its: Chairman

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APPENDIX A

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APPENDIX A

The information contained herein as Appendix A to this Limited Offering Memorandum relates to and has been supplied by Seton Education Partners and Brilla College Preparatory Charter School. The delivery of this Limited Offering Memorandum shall not create any implication that there has been no change in the affairs of Seton or Brilla since the date hereof, or that the information contained, referred to or incorporated by reference in this Appendix A is correct as of any time subsequent to its date.

GENERAL

Seton Education Partners

Seton Education Partners ("Seton") is a Wyoming not-for-profit education corporation established in 2009 by KIPP Foundation pioneer Scott W. Hamilton and Teach For America alumna Stephanie Saroki de Garcia. Seton seeks to expand academically excellent and character-building educational options for underserved children, especially in neighborhoods where traditional Catholic schools are being closed. Seton operates several programs with its Charter School Initiative being the most prominent. Under the Initiative, Seton is building out a secular charter school model with a particular focus on character formation and pairing that model with optional, privately funded religious instruction and Catholic faith formation that is offered as an option to students and parents. With a focus on results, Seton is committed to ensuring that children develop the knowledge, skills, and character traits necessary to earn a college degree and pursue lives of value and integrity.

Seton serves as the Charter Management Organization ("CMO") to the Brilla College Preparatory Charter Schools ("Brilla"), a charter school network located in the South Bronx area of New York City. The CMO contract, revised January 2020, gives Seton authority to manage Brilla until the termination or expiration of its charter, including any charter renewal periods. Both Seton and Brilla have the right to terminate this agreement in the case of a material breach with 60 days written notice. In its capacity as CMO, Seton's Brilla Schools Network team ensures mission integration and alignment among all Brilla schools and provides services related to instruction, data, facilities, operations, talent recruitment, human resources and employment, budgeting and financial reporting, and fundraising. Separate from its role as CMO, Seton also procures, constructs, and leases education facilities for use by Brilla. Apart from its New York operations, Seton manages an independent school, Romero Academy, located in Cincinnati, Ohio and is in the process of founding a charter school network, Brillante, in south Texas.

Brilla Schools Network

Brilla is a New York corporation founded in 2013 and is exempt from federal taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Brilla operates five (5) public charter schools, under four (4) separate charters, and currently serves more than 1,600 students in grades K-8.

Brilla's first charter, originally granted by the New York State Board Regents (the "Board of Regents") in 2012, includes Brilla College Prep Elementary School ("BCPE") and Brilla College Prep Middle School ("BCPM"), each located in the Mott Haven community of the Bronx. Brilla's second charter, Brilla Veritas Elementary School ("BVE"), was granted in 2016 by the State University of New York ("SUNY") and is located in the Melrose community of the Bronx. The BCPE/M charter was merged with the BVE charter in 2017 to create a single education charter authorized by SUNY. BCPE/M was successfully renewed for a 5-year term in 2018. Brilla Caritas Elementary School ("BCE") and Brilla Pax Elementary School ("BPE") were subsequently awarded charters in 2019 and are located in the University

Heights community of the Bronx. Under the current agreement with SUNY, Brilla is authorized to operate BCPE and BCPM through June 30, 2023, BVE through June 30, 2022 (with the renewal application submitted in August of 2021) and BCE and BPE through July 31, 2025.

BCPE is authorized to serve up to 450 students in grades K-4. BCPM has grown by one grade level per year until reaching full enrollment of more than 300 students in grades 5-8 during the 2020-21 school year. BVE opened with 4 Kindergarten classes and 120 students and plans to continue to grow by one grade per year until it reaches its full K-4 enrollment capacity of 450. BCE and BPE opened each with 3 kindergarten classes. Similar to BVE, they plan to grow by one grade level per year until reaching full K-4 enrollment capacities of 450 students in 2024. Upon reaching full enrollment, BVE, BCE and BPE plan to each feed into their own middle schools. The current enrollment picture for all schools is strong heading into the 2021-22 school year. See "Brilla's Financial Projections."

Brilla's current and planned schools are located in one of the nation's poorest congressional districts. During the 2020 school year, 77% of students were Hispanic, 22% were Black or African American, and 96% qualified for the federal Free and Reduced-Price Lunch ("FRPL") program. Brilla also served a high number of English Language Learners ("ELL") and students with disabilities ("SWD").

Brilla plans to open a second middle school in the fall of 2022 and two more middle schools in the fall of 2025 under its existing charter which will operate under the CMO. At full enrollment, Brilla anticipates educating 3,200 students across a network of the following eight schools in the Bronx:

School	Grades Served	Initial Year of Operation	Charter Term	Projected Full Enrollment	Location	NYC Community School District
Brilla College Prep Elementary	K-4	2013	6/30/2023	450	413 E. 144th Street (Mott Haven)	CSD 7
Brilla College Prep Middle	5-8	2017	6/30/2023	346	500 Courtlandt Avenue (Mott Haven)	CSD 7
Brilla Veritas Elementary	K-4	2017	7/31/2022	450	600 E. 156th Street (Melrose)	CSD 7
Brilla Caritas Elementary	K-4	2020	7/31/2025	450	2336 Andrews Avenue (University Heights)	CSD 10
Brilla Pax Elementary	K-4	2020	7/31/2025	450	2336 Andrews Avenue (University Heights)	CSD 10
Brilla Veritas Middle	5-8	2022*	---	346	TBD	TBD
Brilla Caritas Middle	5-8	2025*	---	346	TBD	TBD
Brilla Pax Middle	5-8	2025*	---	346	TBD	TBD

* *Expected*

Brilla manages student information via the Department of Education's Automate the Schools system and invoices through its vendor portal. The annual budget is approved by Brilla's Board of Trustees. The Board is solely responsible for complying with all requirements of grants for Brilla, its governing charter, and all applicable laws.

CHARTER SCHOOL LEGISLATION IN NEW YORK

The New York State Charter Schools Act of 1998 (the "Act") provides that charter schools are independent public schools that operate under charters for a term of up to five (5) years. A charter school is free to organize around a core mission, curriculum, theme, or innovative teaching model. A charter school controls its own budget and employs its own teachers and staff. In return for this freedom, a charter school must demonstrate success or risk of losing its charter.

In New York, a charter school may be approved through one of two alternative "authorizers" - SUNY or the Board of Regents. Charter schools do not charge tuition and are open to enrollment for students eligible for admission to a public school. If more students apply than there are seats, students are enrolled based on a lottery system. Schools can indicate a limited number of admission preferences; Brilla has a preference given to children of staff, students residing in the school district of the charter school, and students with siblings enrolled in the school.

The Act defines charter schools as public agents that are eligible to obtain tax-exempt financing through various local industrial development agencies. The Act further provides that charter schools are education corporations and deems them independent and autonomous public schools.

As public schools, charter schools are funded by public tax dollars that pass through the student's school district of residence. When a student transfers from a traditional public school to a public charter school, the funding associated with that student will follow the student to the public charter school. As a result, charter schools do not add any new costs to the State's public education system since they constitute a reallocation of school funding from one type of school to another. Not all money received by a public school district is included in the charter school funding calculation; charter schools receive between 60% and 80% of what traditional public school districts spend on a per pupil basis.

Charter schools are required to submit annual reports to their charter authorizer. The annual report includes a charter school's report card, discussion of progress towards its achievement of goals set forth in its charter, certified financial statements and efforts taken by the school to meet enrollment and retention rate targets for students with disabilities, English language learners and students eligible for free or reduced-price lunch. Charter schools record and report the enrollment and attendance of students as well as the number of students with disabilities. Basic tuition is provided from the State to the charter schools through the school districts in which the charter schools are located. In addition, the charter schools receive federal and state aid related to the costs of services provided to students with disabilities.

MISSION, VISION & APPROACH OF BRILLA

Mission

Brilla's mission is to help students to grow intellectually, socially and physically into young men and women of good character and spirit, and to be prepared for excellence in high school, college and beyond.

Vision

Brilla means "shine" in Spanish and speaks to the beacon of hope and opportunity it is working to build in the communities served. Brilla schools are anchored on the core belief that a successful school helps its students build moral character and achieve academic excellence through joy, balance, discipline, and empowerment. Because of the inherent dignity and potential of each child, all children deserve an excellent education that equips them with the necessary character and skills to excel in high school, college and beyond.

Educational Approach

Brilla seeks to educate students to lead lives of excellence, virtue and purpose. This is done by leveraging the best instructional practices of model charter schools – a longer school day and year, utilizing technology-based blended learning to deliver individualized instruction, intensively supporting and coaching teachers—and combining this with a robust character education program, centered around its core virtues of courage, justice, wisdom and self-control.

Brilla focuses on developing the whole child by implementing a classroom-based blended learning model that delivers both differentiated instruction and a well-rounded liberal arts education. Through data-driven instruction and strategic partnerships, Brilla prepares students to excel in high school, college, and beyond. Students will conclude Brilla's eighth grade equipped with the confidence, intellectual curiosity, analytical abilities, and habits that lead them to pose meaningful questions of themselves and of others, and also equipped with the virtues and conviction to be leaders in creating a just society.

Brilla considers its greatest asset to be its teachers and will achieve its mission with the resources and support to customize and coordinate adaptive computer-based and teacher-led instruction. Through a unique co-teaching and looping model, Brilla continues focusing on enhancing effective educational strategies. Brilla fosters a robust school culture, in which character development is uniquely integrated across all content areas. Students will develop and practice courage, sound judgment, responsibility, and self-mastery.

CURRICULUM

Core standards are the foundation of Brilla's curriculum. Brilla collaborates to build a rigorous standards-aligned curriculum. The curriculum is backwards-mapped against end-of-year standards and vertically aligned to prepare students for college. The Brilla team (teachers, principal, and deans) work together so instructional leads have the top curriculum resources at their disposal.

Instruction

Every Brilla class has a measurable and standards-aligned daily objective. The objective is what drives what is delivered in the lesson. Teachers use a multitude of assessments; teachers track their students' mastery of the objectives and measure progress towards reaching the instructional goal.

Teachers introduce the objective by clearly modeling a strategy to master the day's objective. Then, the teacher directs the class into a guided practice of the objective, during this time the students model their own answers and thought process. Teachers want to ensure after this process that each student has gathered enough information to use the skill or their own during independent practice.

Students spend the majority of time during a lesson working on their independent practice. Brilla wants to make sure that students get multiple opportunities to practice the daily objective on their own and wants students to be doing the majority of the thinking and having many chances to build their minds until they get it right.

The curriculum is split into five cycles. Each cycle concludes with an interim assessment where students demonstrate mastery of the standards they have learned during each semester. School-wide professional development days follow each cycle, where teachers analyze data and create unit plans, target their small and whole group instruction. Their data-driven mindset provides teachers with the flexibility to curtail the curriculum to fit student needs and support any challenges that may arise.

Materials & Resources

At Brilla, the classical tradition teaches students how to think instead of what to think. It is an endeavor that takes years, but will have profound effects in high school, college and beyond. As a classically inspired school, Brilla sets a new standard in the community. The materials utilized support this vision of classical education at Brilla.

Professional Development

Brilla's teachers are the key to ensuring that all students achieve. Each teacher receives weekly professional development. All teachers have a coach. Coaches provide teachers with individualized plans to help them attain their learning goals for each of their students. Brilla's support as a school stems from excellent modeling, lesson observation and feedback, and collaboration. Teachers also meet weekly in content teams to discuss the content and adjust lessons to meet students' needs.

Support for ELL and SWD Students

Brilla provides ELL and SWD learners with the support they need to succeed. With in-house staff, the student services team exceeds the minimum mandated minutes for special education students.

School Culture

Culture, both student and staff, is an essential element to Brilla's identity. Brilla fosters a robust school culture, in which character development is uniquely integrated across all content areas. Students develop and practice courage, justice, wisdom, and self-control. As the name suggests, Brilla scholars "shine" as beacons of hope both within and beyond the school walls.

GOVERNANCE

As Brilla and Seton are separate and independent 501(c)3 organizations, they are overseen by separate governance structures and board members. The relationships between Seton and Brilla are defined by the terms of the leases and CMO agreement. Additionally, the managing director of Seton, Stephanie Saroki de Garcia, sits as a member on Brilla's board.

Seton Board of Directors

Seton is governed by a Board of Directors comprised of the following seven individuals, each with indefinite tenure:

Name of Director	Professional Affiliation	Position	Month/Year Appointed
Leo Linbeck III	President and CEO of Aquinas Companies, LLC	Chair/President	09/2009
Samuel A. Di Piazza, Jr.	Global Chief Executive Officer of PricewaterhouseCoopers International Limited (Ret.)	Treasurer	06/2015
Carlos de Quesada	VeraCruz Advisory, LLC	Board Member	01/2018
Scott W. Hamilton	Chief Executive Officer of Circumventure Learning	Board Member	09/2009
James N. Perry, Jr.	Co-Founder and Senior Advisor of Madison Dearborn Partners	Board Member	01/2020
Daniel S. Peters	President of the Lovett & Ruth Peters Foundation	Secretary	07/2018
Maria Beatriz Rodriguez	President/Executive Director of Catholic Inner-City Schools Education	Board Member	01/2020

Brilla Board of Trustees

Brilla is governed by a Board of Trustees, comprised of educational leaders and members of the business community. The Board oversees Brilla's operations at its highest level and raises funds to support Brilla and its programs. Currently, the Board is composed of ten members, each serving a three-year term.

The Act provides that charter school Boards of Trustees are autonomous, and that their powers include the full set of rights of trustees under the not-for-profit corporation law of the State.

A listing of the current members of the Brilla Board of Trustees is below:

Name of Trustee	Professional Affiliation	Position	Term Expiration
Eric J. Eckholdt	Executive Director, Credit Suisse Americas Foundation	Chair	June 2022
Richard Ramirez	Producer, National Geographic Television International	Secretary	June 2023
Charles Bozian	Vice President of Finance & Administration/COO, CUNY York College	Treasurer	June 2024
Brother Brian Carty, FSC	Founder, De La Salle Academy	Board Member	June 2022
David Ingles	Partner, Pillsbury Winthrop Shaw Pittman	Board Member	June 2023
Stephanie Saroki de Garcia	Managing Director, Seton Education Partners	Board Member	June 2022

Name of Trustee	Professional Affiliation	Position	Term Expiration
James Jones	Business Manager Global Banking and Markets Technology, Bank of America Merrill Lynch	Board Member	June 2024
Darla Romfo	President and Chief Operating Officer, Children's Scholarship Fund	Board Member	June 2022
Elena Sada	PhD Candidate and, Research and Teaching Assistant at University of Connecticut; English as a Second Language and Bilingual Consultant	Board Member	June 2024
Mary O'Grady	Journalist, Author	Board Member	May 2022

Brilla also has two advisory board members (Anthony De Nicola – President, Welsh, Carson, Anderson & Stowe, and Maryann Hedaa – Founder and Managing Director, Hunts Point Alliance for Children). In this role, they continue to provide ad hoc advice to the organization on specific matters that arise.

Leadership Team

Member	Position
Stephanie Saroki de Garcia	Co-Founder & Managing Director, Seton Education Partners
Matt Salvatierra*	Chief Financial Officer, Brilla Schools Network
Luanne Zurlo*	General Partner & Executive Director, Brilla Schools Network
Michael Carbone*	Chief Academic Officer, Brilla Schools Network
Reyes Claudio*	Chief Operations Officer, Brilla Schools Network
Brett Chappell*	Chief Talent Officer, Brilla Schools Network
Kelsey LaVigne (Kopro)*	Chief of Schools, Brilla Schools Network
Jolleen Wagner*	Chief of Character Initiatives, Brilla Schools Network

**Member of the CMO Team*

Management Biographical Information

Stephanie Saroki de García, *Co-Founder & Managing Director of Seton Education Partners*

Ms. Saroki de Garcia is co-founder and Managing Director of Seton Education Partners. She helped launch Seton in 2009 to give every child, regardless of background, an opportunity to have an academically excellent, character-building, and vibrantly Catholic education—and ultimately, a chance to live up to his or her potential. Most recently, Stephanie launched and for over five years directed the Philanthropy Roundtable's K-12 education programs, where she spearheaded a series of conferences, strategy sessions, and publications on breakthroughs in education philanthropy. She co-wrote *Saving America's Urban Catholic Schools: A Guide for Donors* and also served on the strategic planning committee for the Archdiocese of New York's school system, chairing the committee on school leadership. Previously, Stephanie was a Teach For America corps member in Oakland, California, where she taught

high school English. She attended Harvard's Kennedy School of Government as a dean's fellow. While completing her master's degree in public policy at the Kennedy School, Stephanie worked at the Office of Management and Budget. She received a Bachelor of Arts degree in rhetoric from the University of California at Berkeley.

Matt Salvatierra, ***Chief Financial Officer, Brilla Schools Network***

Mr. Salvatierra is Seton Education Partners' chief financial officer for the Brilla Schools Network. In this role, he plays a key role in Brilla's expansion efforts. Matt joined the Seton team after four years as the operations director for Cornelia Connelly Center, an independent, Catholic middle school serving girls from low-income families in Manhattan's Lower East Side. He began his career in education as a middle school teacher at Nativity Mission Center in New York City, and from there went on to work in a variety of settings—public, private and charter—all with the goal of breaking the cycle of poverty through education. He earned a BA in religion from Harvard University, an MA in adolescent education from Fordham University and an MA in educational leadership from New York University.

Luanne Zurlo, ***Executive Director, Brilla Schools Network***

Prior to joining the Seton team in January 2018, Luanne taught finance, Catholic Social Doctrine, and education reform in developing countries at The Catholic University of America. Luanne spent much of her early career working as a ranked, Wall Street equity analyst. After experiencing 9/11, Luanne left Goldman Sachs to found and direct a non-profit organization, Educando, whose mission is to raise educational quality in Latin America, through mid-career teacher training, with a special focus on Brazil and Mexico. After graduate school, she taught elementary and middle school children at Colegio de la Asunción in Ponferrada, Spain. Luanne has an MBA in finance and accounting from Columbia Business School, an MA in international affairs from Johns Hopkins University and a BA in history from Dartmouth College.

Michael Carbone, ***Chief Academic Officer, Brilla Schools Network***

Michael works to cultivate a focused, multi-dimensional definition of student achievement across the network. Prior to joining the Seton Education Partners team, Michael was involved in the school turnaround process in Connecticut, providing leadership to urban, traditional schools and public charter schools. Scholars and teachers in both of Michael's previous schools made exceptional academic, social, and operational gains—maximizing efficiencies, leveraging collective genius, and focusing on student-driven outcomes. His work was recently recognized when he was honored as one of the national finalists for the EL Education Irwin Silverberg Leadership Award. Previously, Michael served on the Connecticut ASCD (formerly, Association of Supervision and Curriculum Development) Board of Directors, as the president of Kappa Delta Pi at the University of Saint Joseph, as the host of the Science and Engineering Program for Teachers at the Massachusetts Institute of Technology, and as an adjunct professor and course designer in graduate education and educational leadership. He graduated from the University of South Florida with a bachelors in Cognitive Science, and from the University of Saint Joseph with a master's degree in curriculum and instruction.

Reyes Claudio*, Chief Operations Officer, Brilla Schools Network*

Reyes serves as the chief operating officer for the Brilla Schools Network. She is a Bronx native and is the product of a Catholic education. Today, her two school-aged children attend Brilla College Prep. Reyes has been at Brilla for nearly six years. She began her career as an operations associate at the flagship campus, Brilla College Preparatory Elementary (BCPE), and has taken on various roles in the operations department. Today, in her role of COO for the Brilla Schools Network, she oversees an operations lead at each of the schools, the network operations coordinator, and the enrollment and outreach managers.

Brett Chappell, ***Chief Talent Officer, Brilla Schools Network***

Brett joined the Seton team in 2018 and serves as the chief talent officer for the Brilla Schools Network. He is responsible for all talent acquisition for the Seton and Brilla teams. Prior to joining Seton, Brett served as an enlisted US Navy SEAL where he graduated class 184 as Honorman. After earning the coveted SEAL trident, Brett served as a member of SEAL Team 8 in Little Creek, VA. After separating from the Navy, Brett completed a bachelor's and master's degree from Arizona State University and entered the education reform space through Teach For America ("TFA"). While teaching in an urban public middle school, Brett witnessed the character and academic impact that Military Veterans were having in the K-12 education space and joined TFA's national staff on the Strategic Initiative and Partnership team to help lead the Military Veteran and Veteran Spouse recruitment efforts. Brett then transitioned to TFA's Professional Strategy team where he managed passive prospect sourcing, connecting and cultivation strategy for over 20,000 of TFA's top candidates. In 2016 Brett joined Success Academy Charter Network as the Director of Talent, leading a team responsible for filling over 1,000 yearly school based instructional and operational roles.

Kelsey LaVigne (Kopro), ***Chief of Schools, Brilla Schools Network***

As Superintendent of the Brilla Schools Network, Kelsey manages the principals of each campus to ensure that Brilla's mission is reflected across all its schools. She was a founding administrator at the flagship campus, Brilla College Prep, where she was charged with establishing and implementing the vision for school culture and family engagement. She was promoted to Assistant Principal, and soon after became the school leader. Prior to joining Brilla, Kelsey spent four years as a 5th grade math teacher at Bedford Stuyvesant Collegiate, an Uncommon School, while also serving as the school culture lead and an instructional coach. Her first two years were taught under the umbrella of Teach For America as a 2009 Corp Member, during which she also received her master's degree in education from Hunter College. Kelsey completed her undergraduate studies at the University of Southern California, earning a BA in business administration with an emphasis in leadership development.

Jolleen Wagner, ***Chief of Character Initiatives, Brilla Schools Network***

Jolleen joined Brilla in 2015 as the chief of character initiatives and oversees all of the character-building and social-emotional learning efforts of Brilla. After serving for three years as a Lasallian Volunteer and teacher at the San Miguel School – Gary Comer Campus in Chicago, Jolleen became the Lasallian Volunteers' associate director in 2007 and director in 2011. She was responsible for the vision and guidance of this faith-based, long-term volunteer program focused on service to at-risk populations through education and social services. In addition to her work for Lasallian Volunteers, Jolleen has been called upon by the De La Salle Christian Brothers to evaluate existing and develop new formation programs, lead and design immersion trips, and present and facilitate at various events focused on faith, service, and community around the world. As a member of the International Council of Young Lasallians and the chair of the Regional Young Lasallian Committee, she led at the international and regional levels to illuminate and invigorate the Young Lasallian voice for the future of the mission of the De La Salle Christian Brothers. Jolleen, a native of Green Island, New York, graduated with a BA in English from Siena College in 2004, where she was honored in 2014 with the Franciscan Spirit Award, a Distinguished Alumni Award.

Faculty and Staff

All school-level employees are compensated directly by Brilla. Members of the CMO Team are employees of Seton and compensated by Seton via the CMO fees paid by Brilla. The Brilla faculty and staff are employed at-will pursuant to letters of hire for periods of 1 year. Brilla believes that their faculty, administration and the Board have a strong and collaborative working relationship. None of the schools' employees are currently represented by a collective bargaining unit. Neither the schools' administration nor Brilla's Board are aware of any desire among the faculty and staff to create or join any organized union or collective bargaining unit. Brilla believes its staff culture is excellent.

Brilla's organizational structure continues to evolve in-line with ongoing growth in student enrollment. Brilla currently employs approximately 187 faculty and staff members.[1] Brilla's compensation package includes a competitive and comprehensive benefits package (health, dental and 403(b) plan).

Brilla is committed to attracting and developing faculty and staff members who possess keen leadership qualities and strength of character. The following table provides information regarding Brilla's current professional staff and faculty.

Faculty & Staff	
Leadership Staff	12
Instructional Staff	146
Teaching Fellows[2]	38
Non-Instructional Staff	29
Total	225
Student – Teacher Ratio	
Number of Students Per Teacher[3]	8.7

Brilla's 146 teachers collectively have an average of 8 years of overall teaching experience. Brilla monitors and evaluates its teachers and staff and makes annual, performance-based determinations regarding their ongoing employment status. The following table provides information regarding Brilla's professional staff and faculty for all schools for the past five (5) years:

	2016-17	**2017-18**	**2018-19**	**2019-2020**	**2020-2021**
Staff	57	75	105	132	159
Turnover	15	18	19	32	22
Retention Rate	74%	76%	82%	76%	86%

ENROLLMENT

Brilla serves an especially high-needs student population in the Mott Haven, Melrose and University Heights communities of the Bronx where 41% of residents have less than a high school education and 43% have achieved an undergraduate or higher college degree; and the median household income is $20,966.

As free public charter schools, Brilla's schools are open to students residing in any of the five boroughs of New York City. Brilla does not discriminate on the basis of race, color, religion, national origin, language spoken, intellectual or athletic ability, measures of achievement or aptitude, or status as a student with special needs. Brilla accepts new students each year through a lottery process.

1 Not including the teaching fellows which are discussed in the following footnote.
[2] "Seton Teaching Fellows" are paid separately by Seton to work as assistant teachers in the classroom.
[3] Based on 184 Instructional Teachers and Seton Teaching Fellows and 1605 students for year 2021-2022.

Brilla seeks families who will share their commitment to rigorous academics, character development, and family partnership. BCPE, BCPM and BVE are located in New York City Community School District (CSD) 7. BCE and BPE are located in CSD 10. Through community outreach and information sessions, Brilla actively recruits students from Districts 2-12, all of which serve significant populations of SWD, ELL and students eligible for the FRPL program.

Demand Statistics

The following table sets forth demand statistics for all schools by grade for Brilla for school years 2016-17 to 2020-21:

School Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Applications					
K	530	1,075	990	899	2,872
1	153	181	247	160	310
2	165	179	173	200	280
3	155	186	162	146	296
4	107	159	161	140	203
5		103	142	143	226
6			235	195	302
7				72	106
8					99
TOTAL	1,110	1,883	2,110	1,955	4,694
Acceptances					
K	90	214	183	300	409
1				26	7
2				13	5
3				3	9
4				2	1
5				3	1
6				4	2
7				4	0
8					0
TOTAL	90	214	183	355	385
Enrollment					
K	91	186	153	181	399
1	83	81	176	165	193
2	85	81	83	185	186
3	70	78	82	98	192
4	58	68	81	92	95
5		63	80	91	94

School Year	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
6			69	88	92
7				70	91
8					67
TOTAL	387	557	724	970	1,409
Acceptance Rate	8%	11%	9%	18%	21%
Attrition Rate	7.0%	7.0%	7.5%	4.0%	5.5%

Brilla experiences significant demand as evidenced by the substantial number of applications that it receives each year. The number of applications received by Brilla has grown by more than 77% over the last five years. For the 2020-2021 academic year, applications stood at more than 5x the number of open seats available at the starting grade for each school. Less than 20% of applicants are accepted to a Brilla school each year and Brilla maintains a large wait list that can more than amply cover any attrition experienced.

Total applications and enrollment figures for each Brilla school for the past five years are provided below:

School Year	Brilla College Prep (Inaugural Year - 2013)		Brilla Veritas (Inaugural Year - 2017)		Brilla Pax (Inaugural Year - 2020)		Brilla Caritas (Inaugural Year - 2020)	
	Applications	Enrollment	Applications	Enrollment	Applications	Enrollment	Applications	Enrollment
2016-17	1,110	387						
2017-18	1,422	449	461	108				
2018-19	1,560	561	550	163				
2019-20	1,420	705	535	265				
2020-21	2145	835	989	381	757	95	803	98

Applications

Each year, each of the schools opens admissions for each grade it will have in operation. Applications for admission to Brilla schools must be submitted by prospective students and their families no later than April 1st. If the applicable school receives more applications than the school has seats available for that grade, then the school will conduct a random selection process (blind lottery) to determine which applicants will be admitted into that grade, taking into account Brilla's enrollment preferences (see "Enrollment Preferences").

The following table reflects the eligible applications received by Brilla for all schools as of April 1, 2021 for the 2021-2022 school year:

Grade	Available Seats	Applications	Waitlist
K	384	1,650	1,266
1	7	361	354
2	5	189	184
3	9	159	150
4	1	168	167
5	1	125	124
6	2	238	236
7	-	68	68
8	-	47	47
TOTAL	409	3,005	2,596

Wait List

After all seats in a grade for a particular school are filled, the blind lottery continues to assign every applicant a number on the wait list for that school. When vacancies arise, based upon the order established by random selection from the lottery, families on the waitlist are contacted. The waitlist expires annually at the lottery drawing for the next school year. Brilla's wait list for all Schools, as of the lottery day, for each school year between 2016 and 2020 is set forth below:

Grade	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
K	440	861	807	599	2,488
1	153	181	247	134	303
2	165	179	173	187	275
3	155	186	162	143	287
4	107	159	161	138	202
5	-	103	142	140	225
6	-	-	235	191	300
7	-	-	-	68	106
8	-	-	-	-	99
TOTAL	1,020	1,669	1,927	1,600	4,285

Enrollment Preferences

Enrollment preferences for all schools are provided to eligible applicants in the following order:

1. Students who attended the school the previous year and are returning to the applicable school (returning students do not need to re-apply);
2. Siblings of students enrolled in the applicable school (or any of the schools);
3. Eligible applicants of employees of the applicable school (or any of the schools) or Seton, as the school's charter management organization (this preference is limited to 15% of the school's total enrollment);
4. Students who reside inside of the school's CSD with priority given to those who qualify for the FRPL program; and
5. Students who reside outside of the school's CSD with priority given to those who qualify for the FRPL program.

Service Area & Competition

Brilla is open to all students eligible for public education in New York. Student recruitment efforts are mainly focused on community events and fairs, and conducting outreach at after-school programs, elementary schools and community-based organizations serving the diverse populations of CSD 2 through 12 and are designed to meet each schools' enrollment and retention targets for SWD, ELL and students eligible to participate in the FRPL program.

There are numerous schools located within the Bronx and neighboring boroughs of New York City. The following are comparable charter schools in New York City that most closely mirror the demographic makeup of Brilla's student body for all schools (at least 79% considered economically disadvantaged).

School	Grades Served	Location	CSD #
Brilla College Prep Charter School	**K-8**	**South Bronx**	**7**
Mott Haven Academy Charter	PK-8	South Bronx	7
KIPP Infinity Charter	K-9	West Harlem	5
Voice Charter	K-8	Queens/Long Island City	30
Bushwick Ascend Charter	K-8	Brooklyn	32
Bronx Community Charter	1-8	Bronx	10
Global Community Charter	PK-7	Harlem	5
NYC Montessori Charter	PK-5	South Bronx	7

Demographics

Below is a summary of the key demographics of Brilla's student body for all schools for the 2020-2021 school year followed by a table highlighting demographic statistics by race/ethnicity and subgroup classification for the last three school years.

- 97% live in the Bronx
- 72% are Hispanic/Latino and 26% are African American
- 89% of students are certified for free or reduced-price lunch
- 21% of students have been identified as students with disabilities, requiring special education
- 32% of students are English Language Learners

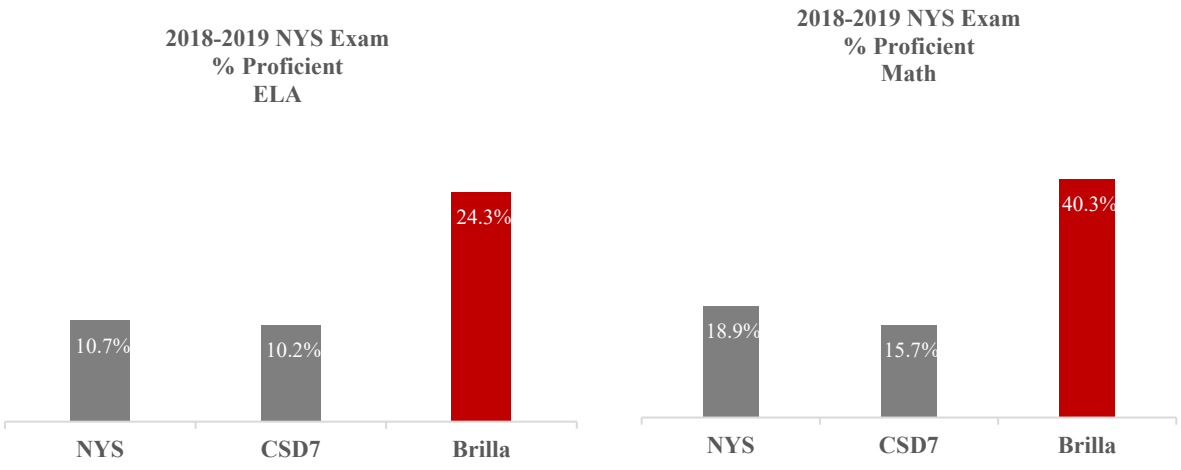
Category	2018-2019	2019-2020	2020-2021
Total Enrollment	724	970	1,409
Hispanic	74%	75%	77%
African American	23%	23%	22%
Asian	< 1%	< 1%	< 1%
White	1%	1%	< 1%
FRPL	92%	93%	91%
SWD	22%	23%	18%
ELL	22%	22%	28%

Source: data.nysed.gov

English Language Learners

Compared to most recognized charter networks, Brilla serves a higher proportion of English Language Learners (ELL) as opposed to their closest competitors. Despite this, ELL at Brilla score significantly higher than their peers at other charter schools. In 2019-2020, Brilla was the fourth highest performing school in math out of all New York schools serving a similar composition of children (special needs, ELL, Hispanic and low-income).

2018-2019 NY State Exam
% Proficiency
English Language Learners

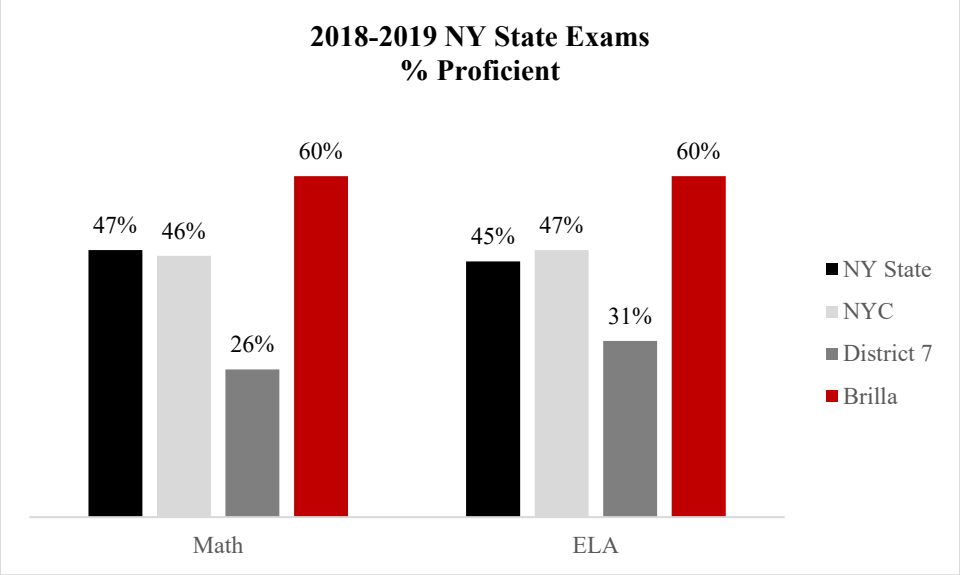


ACADEMIC PERFORMANCE

The following tables present Brilla's student proficiency rate for all schools on the English Language Arts (ELA) and Math Common Core tests administered by the New York State administrators. The demand for the unique Brilla learning experience is reflective of the academic performance results summarized below.

	ELA State Test Scores			Math State Test Scores		
Grade	2017-2018	2018-2019	2019-2020	2017-2018	2018-2019	2019-2020
3	62%	70%	N/A[4]	71%	70%	N/A
4	60%	71%	N/A	71%	67%	N/A
5	29%	48%	N/A	42%	52%	N/A
6	-	48%	N/A	-	48%	N/A
7	-	-	N/A	-	-	N/A
8	-	-	N/A	-	-	N/A
TOTAL	51%	60%	N/A	62%	60%	N/A

In the 2018-2019 school year, Brilla students exceeded the district, city and state pass rates in both the ELA and math examinations.[5]



[4] State testing did not occur in the 2019-2020 school year due to the onset of the COVID-19 pandemic.
[5] Brilla Caritas and Brilla Pax, both in CSD 10, were not open in 2018-2019. CSD 10 information has been excluded accordingly.

CURRENT SCHOOL FACILITIES

Brilla currently operates five schools in four facilities (total student capacity of 1,620) located in the Bronx and educates approximately 1,605 students on a combined basis. Each facility is leased by Seton from a parish in the Archdiocese of New York and subleased to Brilla. A description of each of these facilities and the entity with which Seton has entered into a lease agreement is provided below:

- **413 East 144th Street in Bronx, NY** (BCPE). The approximately 28,478 square foot facility is leased from St. Pius Church, which is able to accommodate grades K-4, comprising 450 students and 51 staff. The current capacity of the BCPE is 450 students. The initial lease term was scheduled to expire June 30, 2028. However, Seton has exercised a right to extend the lease term for 15 additional years. The lease term therefore expires June 30, 2043. The lease restricts the use of the premises as a charter school and related administrative offices and precludes certain activity as contrary to the teachings of the Roman Catholic Church. The landlord also retains the right to exclusive use of certain classrooms at no charge on Saturday mornings and has the right to use the auditorium for parish functions upon 30 days' notice.

  Seton subleases the premises to Brilla pursuant to a First Amended and Restated Sublease effective as of July 1, 2018. The sublease term extends until June 3, 2023, and automatically renews for an additional 5 years. The sublease restricts the use of the premises as a school, up to grade 5, and related uses and precludes certain activity as contrary to the teachings of the Roman Catholic Church. Brilla, as tenant, is required to provide its sublandlord with annual reporting on academic standards. The sublandlord has the right to terminate the sublease if, after notice and cure periods, the reporting is not provided, or the academic standards are not met. Either party to the sublease has the right to terminate the sublease prior to the start of a semester upon 180 days' notice, and the sublandlord has an additional termination right at any time upon 90 days' notice, provided it pays a termination fee of approximately 6 months' rent.

- **500 Courtlandt Avenue in Bronx, NY** (BCPM)**.** The facility is leased from St. Pius Church and accommodates grades 5-8 with a total of 360 students and 43 staff. The current capacity of BCPM is 360 students. The initial lease term was scheduled to expire July 31, 2036. However, Seton has exercised a right to extend the lease term for 10 additional years. The lease term therefore expires July 31, 2046. The lease restricts the use of the premises as a charter school and related administrative offices and precludes certain activity as contrary to the teachings of the Roman Catholic Church. The landlord also retains the right to exclusive use of certain classrooms at no charge on Saturday and Sunday mornings and has the right to use the auditorium for parish functions upon 30 days' notice.

  Seton subleases the premises to Brilla pursuant to a First Amended and Restated Sublease effective as of July 1, 2018. The sublease term extends until June 30, 2036, and automatically renews for two additional 5-year terms. The sublease restricts the use of the premises as a school and related activities, up to grade 8, and related uses and precludes certain activity as contrary to the teachings of the Roman Catholic Church. Brilla, as tenant, is required to provide its sublandlord with annual reporting on academic standards. The sublandlord has the right to terminate the sublease if, after notice and cure periods, the reporting is not provided, or the academic standards are not met. Either party to the sublease has the right to terminate the sublease prior to the start of a semester upon 180 days' notice, and the sublandlord has an additional termination right at any time upon 90 days' notice, provided it pays a termination fee of approximately 6 months' rent.

- **2336 Andrews Avenue North in Bronx, NY** (BPE and BCE)**.** The facility is leased from St. Nicholas of Tolentine Church and accommodates BPE and BCE's kindergarten classes with a total of 360 students and 44 staff. The current capacity of BPE and BCE is 360 students. The initial lease term was scheduled to expire August 31, 2030. However, Seton has executed five consecutive renewal options of 5 years, to allow for an extension of the lease term for an additional twenty-five

years. The lease term therefore expires August 31, 2055. The lease permits the use of the premises as a school serving Pre-K through grade 12 and related educational and ancillary services and administrative offices and precludes certain activity as contrary to the teachings of the Roman Catholic Church. The landlord also retains the right to exclusive use of certain classrooms at no charge on Saturday and Sunday mornings.

Seton subleases the premises to Brilla pursuant to a First Amended and Restated Sublease effective as of January 9, 2020. The sublease term extends until August 31, 2030 and automatically renews upon renewal of the Andrews Avenue North Lease. The sublease automatically terminates if the lease terminates. Brilla, as tenant, is required to provide its sublandlord with annual reporting on academic standards. The sublandlord has the right to terminate the sublease if, after notice and cure periods, the reporting is not provided, or the academic standards are not met.

Brilla also operates under a sublease from Seton at 600 East 156th Street in Bronx, NY. The facility accommodates grades K-4 with a total of 450 students and 50 staff. The lease revenues from this facility have not been pledged by Seton in support of the Bonds.

THE PROJECT

Proceeds from the Bonds will be used to (a) refinance two loans in the outstanding amounts of $600,000 and approximately $11,170,000, which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the BPE and BCE schools (the "Leased Facility 1"); (b) refinance a loan in the outstanding amount of approximately $2,170,000, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as the site for the BCPM school (the "Leased Facility 2"); (c) refinance a loan in the outstanding amount of approximately $2,710,000, respectively, which loan financed leasehold improvements in 28,478 square feet of space in a building located in 413 East 144th Street, Bronx, NY, which currently serves as the site for the BCPE school (the "Leased Facility 3" and together with Leased Facility 1 and Leased Facility 2, the "Leased Facilities"); (d) fund a debt service reserve fund; and (e) pay for certain costs and expenses associated with the issuance of the Bonds. The Leased Facilities are leased to Seton and subleased to and operated by Brilla. The refinancing of existing loans will reduce and stabilize Brilla's occupancy costs and allow for the dedication of more resources to educational programs.

SCHOOL FINANCES

Financial Oversight

Brilla's Board of Trustees (the "Board") provides effective oversight, including full engagement in financial decision-making and overseeing the expenditure of public funds. Brilla is in good standing with respect to governance and fiscal accountability and is in material compliance with all City, State and federal regulations. Brilla receives independent fiscal year audit opinions each year. The most recent audit reflects a positive financial control environment, with no significant findings or material weakness and increasing improvement from the prior years. See Appendix D for the most recent audit of Brilla.

Each month, staff present monthly financial statements, including reports of financial condition and operating results, as well as other pertinent information to the Board for its review. After review of the monthly financial reports, if applicable, the Board will certify that no fund has been over expended and that sufficient funds are available to meet the Brilla obligations for the remainder of the school year.

Accounting & Internal Controls

Brilla maintains appropriate internal controls and procedures and has hired an outside accounting firm to help maintain certain levels of controls. A financial consultant is responsible for paying vendors and preparing bank reconciliations along with other ad hoc duties.

Based on industry best practices, Brilla's internal controls are designed to minimize unauthorized use of assets or misstatement of account balances. The control environment and accounting procedures documented in Brilla's Financial Policy and Procedures Manual highlight the internal controls as an integral part of day-to-day operations. These procedures are divided into segregation of duties, restricted access, document control, processing control, and reconciliation controls, with the Board Finance Committee reviewing how the following duties are assigned to staff:

Segregation of Duties:	No one person controls all aspects of a transaction & functions performed by one person are authorized by another individual.
Restricted Access:	Physical access to checks or other valuable assets are restricted to authorized personnel. Systems access to the accounting system is also restricted to authorized personnel.
Reconciliation Controls:	Variance reports and bank reconciliation are reviewed monthly by the Chief Financial Officer.

Budgeting & Financial Condition

Brilla operates pursuant to a long-range budget –maintaining adequate financial resources to ensure stable operations. Critical financial needs of Brilla schools are not typically dependent on variable income (grants, donations and fundraising).

Brilla's FY20 annual audit reflects a change in net assets of $493,915, compared to a change in net assets of $443,464 in FY19. The onset of the COVID-19 pandemic at the end of FY20 altered the expense expectations of Brilla. In addition, increased enrollment strengthened its revenue base while a corresponding increase to expenses was incurred.

Brilla's budget process utilizes conservative (revenue/expense) assumptions, based not only direct experience operating in the NYC charter sector, but recognition of industry-wide risks that potentially introduce unanticipated fluctuations in revenue/expenses. These risks include changes in NYS per-pupil allocations, enrollment-levels, facilities risk, and professional talent scarcity. Variance (to budget) reports are reviewed monthly to provide ample opportunity for appropriate action and mitigation.

Because a public charter school's primary revenue source is per-pupil funding, Brilla proactively monitors enrollment levels and responds quickly. Demand for seats remains high, with a waitlist of over 1,556 students across all grades and all schools, Brilla's sustained high demand is derived from a combination of low student attrition, positive parent engagement and overall community support.

Summary of Brilla's Historical Revenues and Expenses

The following tables set forth summaries of Brilla's historical and projected revenues and expenses for the years shown below. The information presented for the school years ended June 30, 2016 through 2020 is actual audited data.

Fiscal Year Ending June 30,	2016	2017	2018	2019	2020
Operating Revenues					
Pupil Revenue	$5,589,060	$7,128,961	$10,424,722	$12,580,521	$16,455,382
Federal Grants	247,302	302,563	1,093,545	1,092,933	1,569,313
Local Grants	483,617	741,579	284,771	58,440	72,492
Total Revenues	**$6,319,979**	**$8,173,103**	**$11,803,038**	**$13,731,894**	**$18,097,187**
Operating Expenses					
Program Services	$3,413,053	$4,118,261	$6,457,099	$12,484,093	$16,354,993
Supporting Services:					
Management and general	1,716,867	1,896,322	4,727,879	2,482,956	4,128,953
Development	65,872	194,779	227,889	376,897	514,809
Total Operating Expenses	**$5,195,792**	**$6,209,362**	**$11,412,867**	**$15,343,946**	**$20,998,755**
Non-Operating Expenses					
Depreciation	531,804	511,727	632,943	643,605	474,728
Total Expenses	**$5,727,596**	**$6,721,089**	**$12,045,810**	**$15,987,551**	**$21,473,483**
Support and Other Revenue					
Contributions	$7,911	$111,146	$847,549	$79,674	$110,940
Other income	5,543	41,892	102,792	40,568	88,553
Interest income	536	141	692	55,691	43,178
Facility Rental Assistance	-	-	1,700,000	2,523,191	3,627,540
Total Support and Other Revenue	**$13,990**	**$153,179**	**$2,651,033**	**$2,699,124**	**$3,870,211**
Change in Net Assets	**$606,373**	**$1,605,193**	**$2,408,261**	**$443,467**	**$493,915**
Total Assets	$2,713,531	$4,638,468	$6,706,071	$7,287,005	$10,270,855
Total Liabilities	$1,238,504	$1,558,248	$1,217,590	$1,355,057	$3,844,992
Unrestricted Net Assets	$1,475,027	$3,034,331	$5,488,481	$5,931,948	$6,425,863

CHARTER SCHOOL FUNDING

The following table sets forth the New York state per pupil funding allocations for charter schools for the past five (5) school years.

Historic Per Pupil NY State Funding

School Year	Per Pupil Allocation
2016-2017	$14,027
2017-2018	$14,527
2018-2019	$15,307
2019-2020	$16,150
2020-2021	$16,123

In 2014, legislation was enacted that provided small supplemental increases to the per pupil funding (while providing a reimbursement to school districts for those increases). These increases kept charter per pupil funding relatively flat, increasing just 3.7% over three years, or a total of $500, and resulting in a total per pupil in 2016-17 of $14,027. In addition, the State Senate provided one-time appropriations to charter schools in both the 2016 and 2017 school years of approximately $215 and $430, respectively. After the 2016-17 school year, charter school per pupil funding was once again calculated using the then-existing statutory formula, effectively making the per pupil once again a function of average per pupil operating expenses of the CSD.

In addition to base per pupil funding, schools are provided additional funds based on the population of students with disabilities that it serves – this additional funding per student ranges from $10,390 to $19,049. As well, students that operate in private space (as does Brilla) are eligible, following a request and appeals process, to be awarded additional rental reimbursement that is calculated at 30% of the base per pupil funding. Brilla receives this additional rental reimbursement for every student in the network with the exception of the Kindergarten and first graders who attend BCPE (due to the fact that Brilla had served these grades prior to the passage of this legislation). For fiscal year 2020, this facilities funding represented $3.6M of additional revenue for Brilla.

Apart from local-level funding, Brilla receives various sources of federal funding including Title funding, CSP funding and federal E-Rate funding.

SUMMARY OF BRILLA'S BUDGET TO ACTUAL RESULTS

The following table sets forth a summary comparison of Brilla's fiscal year 2020-21 budget to fiscal year 2020-21 audited results.

	2020-2021 Audited	2020-2021 Budget
REVENUES & SUPPORT		
ENROLLMENT	**1409**	**1319**
State & Local Per Pupil	$30,063,290	$26,057,588
Government Grants & Contracts	$2,422,200	$2,230,438
Contributions & Grants	$883,599	$107,639
Other Income[6]	$2,074,591	$51,250
TOTAL REVENUE	**$35,443,680**	**$28,446,915**
EXPENSES		
Program Services	$23,165,530	$21,822,024
Management & General	$7,940,596	$7,018,413
Fundraising	$0	$0
TOTAL EXPENSES	**$31,106,126**	**$28,840,437**
CHANGE IN NET ASSETS	**$4,337,554**	**($393,522)**
Beginning Balance (July 1)	**$6,425,863**	**$6,425,864**
Ending Balance (June 30)	**$10,763,417**	**$6,032,342**

Management Discussion & Analysis

As noted in Brilla's projections, its primary source of income is state education funding. Brilla receives a fixed amount of per-pupil General Education ("GED") revenue each year. That income is further augmented by rental assistance, which is an additional 30% of GED funding. The rental assistance funding was initially created to fund school operations but has been expanded to include an allotment for school expansion. In addition, Brilla receives funding based on its number of pupils with special educational needs. The per-pupil Special Education ("SPED") funding that is allocated varies based on the educational needs of each pupil, with higher funding for pupils with higher need.

Pursuant to the Management Contract between Brilla and Seton, Brilla pays Seton a CMO fee equal to a fixed percentage (15%) of Brilla's total GED and SPED funding. Brilla's schools operate in buildings that are subleased from Seton. Rent paid by Brilla are fixed in the subleases entered into for each property.

[6] Includes PPP loan forgiveness ($1,795,241) as well as $275,411 in revenues that was raised directly to offset emergency expenses related to the COVID-19 pandemic.

All CMO fees to be paid to Seton are subordinate to rent to be paid to Seton by Brilla under the subleases.

In the past several years, Brilla has maintained its target enrollment of 100%. In the past three years, Brilla has consistently met or exceeded its enrollment target due to strong student recruitment combined with demand for charter school seats. Brilla budgets conservatively each year for expenses at 100% of enrollment target and revenues at 96% of enrollment.

In addition to the main financial drivers set forth above, Brilla receives donations from various individuals and organizations. In the 2020-2021 academic year, Brilla received $876,442 in total donations from six specific donors:

- William E Simon Foundation
- Queen Sofia Spanish Institute
- Four Individual Donors

In addition, Seton received $1,250,000 in total donations from Charter School Growth Fund and the Walton Foundation to support its work in supporting Brilla.

Insurance

Brilla maintains a comprehensive insurance program including Comprehensive General Liability, Educator's Legal Liability, Automobile, Excess Liability, Property and Workers Compensation and Employers' Liability.

BRILLA'S FINANCIAL PROJECTIONS

The Projections below are based upon historical operation of, and forecasts for, Brilla and the Brilla assumptions regarding student enrollment and expenses. The Projections do not constitute a "Certified Financial Forecast" prepared in accordance with generally accepted accounting principles. No assurance can be given that the results described in the Projections will be achieved, or that there has been no change in underlying considerations since the date of this Limited Offering Memorandum. Brilla does not intend to update the Projections and, accordingly, there are risks inherent in using the Projections in the future as they become outdated. The Projections are only for the years ending June 30, 2022 through 2026 and do not cover the entire period during which the Bonds may be outstanding. The Underwriter has not independently verified the Projections and makes no representations nor gives any assurances that such Projections, or the assumptions underlying them, are complete or correct.

No representation is made that the Projections will correspond with the results achieved in the future because there is no assurance that actual events will correspond with the assumptions made by Brilla. Brilla's actual future operations and financial condition may differ from those projected and actual future events and conditions may differ from those assumed by Brilla. Such differences may be material and adverse. Actual operating results may be affected by many factors, including, but not limited to, increased costs, lower than anticipated revenues (as a result of changes in demographic trends, insufficient enrollment, or otherwise), and local and general economic conditions. See "BONDHOLDER'S RISKS" in this Limited Offering Memorandum.

The Projections have not been independently verified by any party other than Brilla's management. No feasibility studies have been conducted with respect to Brilla's operations pertinent to these financial projections or the Bonds.

The Projections constitute "forward-looking" statements of the type described in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. See "RISK FACTORS"

in this Limited Offering Memorandum. Although management believes that the assumptions upon which these financial projections are based are reasonable, any of the assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. All phases of the operations of Brilla involve risks and uncertainties, many of which are outside of Brilla's control and any one of which, or a combination of which, could materially affect Brilla's results.

Projected Enrollment for BCPE

The chart below illustrates the enrollment plan for BCPE. The school will serve a total of 450 students in Grades K-4. BCPE may maintain a maximum class size of approximately 30 students in each classroom with a potential enrollment of 450.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26
K	90	90	90	90	90
1	90	90	90	90	90
2	90	90	90	90	90
3	90	90	90	90	90
4	90	90	90	90	90
Total	**450**	**450**	**450**	**450**	**450**

Projected Enrollment for BCPM

The chart below illustrates the enrollment plan for BCPM. The school will serve a total of 360 students in Grades 5-8. BCPM may maintain a maximum class size of approximately 30 students in each classroom with a potential enrollment of 360.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26
5	90	90	90	90	90
6	89	89	89	89	89
7	87	86	86	86	86
8	79	82	81	81	81
Total	**345**	**347**	**346**	**346**	**346**

Projected Enrollment for BVE

The chart below illustrates the enrollment plan for BVE. The school will serve a total of 450 students in Grades K-4. BVE may maintain a maximum class size of approximately 30 students in each classroom with a potential enrollment of 450.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26
K	90	90	90	90	90
1	90	90	90	90	90
2	90	90	90	90	90
3	90	90	90	90	90
4	90	90	90	90	90
Total	**450**	**450**	**450**	**450**	**450**

Projected Enrollment for BVM

The chart below illustrates the enrollment plan for BVM. The school will serve a total of 346 students in Grades 5-8. BVM may maintain a maximum class size of approximately 30 students in each classroom with a potential enrollment of 360.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26
5		88	88	88	88
6			87	87	87
7				86	86
8					85
Total	**0**	**88**	**175**	**261**	**346**

Projected Enrollment for BCE

The chart below illustrates the enrollment plan for BCE. The school will serve a total of 450 students in Grades K-4. BCE may maintain a maximum class size of approximately 30 students in each classroom with a potential enrollment of 450.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26
K	90	90	90	90	90
1	90	90	90	90	90
2		90	90	90	90
3			90	90	90
4				90	90
Total	**180**	**270**	**360**	**450**	**450**

Projected Enrollment for BCM

The chart below illustrates the enrollment plan for BCM. The school will serve a total of 346 students in Grades 5-8, growing one grade each year. BCM may maintain a maximum class size of approximately 30 students in each classroom with a potential enrollment of 360.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
5					88	88	88	88
6						87	87	87
7							86	86
8								85
Total					**88**	**175**	**261**	**346**

Projected Enrollment for BPE

The chart below illustrates the enrollment plan for BPE. The school will serve a total of 450 students in Grades K-4. BPE may maintain a maximum class size of approximately 30 students in each classroom with a potential enrollment of 450.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26
K	90	90	90	90	90
1	90	90	90	90	90
2		90	90	90	90
3			90	90	90
4				90	90
Total	**180**	**270**	**360**	**450**	**450**

Projected Enrollment for BPM

The chart below illustrates the enrollment plan for BPM. The school will serve a total of 346 students in Grades 5-8, growing one grade each year. BPM may maintain a maximum class size of approximately 30 students in each classroom with a potential enrollment of 360.

Grade	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
5					88	88	88	88
6						87	87	87
7							86	86
8								85
Total					**88**	**175**	**261**	**346**

Projected Financial Information for Brilla

For the Fiscal Years ending June 30, 2022 through 2026 information presented is projected data based upon certain assumptions made by Brilla. The projections constitute "forward-looking statements" and are derived from the past operations and assumptions about student enrollment, level of revenue and expenses as set forth in the table.

Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26
REVENUES					
State & Local Per Pupil	$34,567,402	$41,628,564	$49,331,633	$56,939,487	$64,629,471
Government Grants & Contracts	6,031,229	3,660,121	2,158,755	1,952,522	2,197,701
PPP Forgiveness	-	-	-	-	-
Contributions & Grants	-	-	-	-	-
Other Income	184,944	282,097	361,987	409,107	457,622
Total Revenue	**$40,783,576**	**$45,570,782**	**$51,852,375**	**$59,301,116**	**$67,284,794**
EXPENSES					
Program	$33,350,140	$38,879,473	$42,217,569	$50,974,427	$58,574,540
Management and general	4,303,591	5,203,172	6,070,767	6,975,710	8,015,765
Fundraising	-	-	-	-	-
Total Expenses	**$37,653,731**	**$44,082,645**	**$51,288,336**	**$57,950,137**	**$66,590,305**
Change In Net Assets	**$ 3,129,844**	**$ 1,488,137**	**$ 564,039**	**$ 1,350,979**	**$ 694,480**

Pro Forma Coverage Ratios Based on Projected Financial Statement of Activities for Brilla

Fiscal Year	2021-22	2022-23	2023-24	2024-25	2025-26
Revenues	$40,783,576	$45,570,782	$51,852,375	$59,301,116	$67,284,794
Operating Expenses	$37,653,731	$44,082,645	$51,288,336	$57,950,137	$66,590,305
Net Income	**$ 3,129,844**	**$ 1,488,137**	**$ 564,039**	**$ 1,350,979**	**$ 694,480**
Operating expenses exclude (as applicable):					
Sublease Rent (on financed properties)	$ 4,625,942	$ 5,202,675	$ 4,827,363	$ 5,435,955	$ 5,995,982
Leasehold improvements & capital asset expenditures	-	-	-	-	-
Other non-cash facility related expenses	180,000	220,000	230,000	240,000	280,000
Depreciation*	1,083,756	1,557,965	1,719,476	1,660,412	1,800,510
Net Income Available for Sublease Payments	**$ 9,019,542**	**$ 8,468,777**	**$ 7,340,878**	**$ 8,687,346**	**$ 8,770,972**
Sublease Payments (of financed properties)	$ 4,625,942	$ 5,202,675	$ 4,827,363	$ 5,435,955	$ 5,995,982
Coverage Ratio	**1.95x**	**1.63x**	**1.52x**	**1.60x**	**1.46x**

** Estimated; inclusive of all Brilla depreciation.*

IMPACTS OF COVID-19

In response to the fears of the COVID-19 school closings, Brilla has made and will continue to make it a priority to make sure their students and families had the ability to learn in virtual ways. When the NYC schools closed in March 2020, Brilla had over 900 students engaged in remote learning. Many of the students did not have devices to enable them to log into remote learning sessions, and others had devices that were outdated and did not have the capability of loading the proper software used for remote learning. Brilla provided iPads and/or Chromebooks, depending on their grade level in order for the students to learn while remote.

Brilla's top priority for the 2020-21 school year was to provide a safe schooling option for all and bring as many scholars back to in-person learning as physically possible. Brilla returned 100% in- person for fall 2021.

Brilla's priority is to maximize in-person instruction time. Based on updated guidelines, Brilla has had the capacity to welcome all of our scholars on campus safely. Brilla's commitment remains to prioritize health and safety. The health and safety of all stakeholders is the top priority and Brilla has adhered, and plans to continue to adhere, to the many health and safety measures that were in place for the 2020-21 school year, including the following:

- Requiring masks in all school buildings
- Requiring individuals with COVID-19 symptoms to stay at home
- Requiring students, teachers and staff to complete a daily health screener

- Requiring every school building to have a nurse
- Providing on-site COVID-19 testing as recommended by the latest health guidance
- Ensuring that the Situation Room will continue to support schools with next steps if there are positive cases

Brilla has done and will continue to do everything possible to welcome children back and provide the support needed to ensure a positive homecoming. Investments to hire more teachers and social workers have been and will continue to be made and there have been and will continue be academic and social-emotional learning programs available to support students

In response to COVID-19, Brilla obtained federal funding as described in the chart below. Funds will be allocated in Fiscal Years 2021 – 2024 as set forth below:

FEDERAL FUNDING – COVID-19 PANDEMIC RELIEF				
	ESSER 1[7]	**CRRSA[8] / ESSER 2**	**ARP - ESSER[9]**	**TOTAL**
Total funds made available to Brilla	$556,819	$3,114,095	$6,989,220	$10,660,134
Funds to be spent through fiscal year	FY 2021	FY 2022 FY 2023	FY 2022 FY 2023 FY 2024	

Additionally, Brilla applied for and received a federal *Paycheck Protection Program* loan of $1,795,241 in fiscal year 2020; this loan was forgiven, pursuant to the program rules, in fiscal year 2021.

[7] Elementary and Secondary School Emergency Relief Fund
[8] Coronavirus Response and Relief Supplemental Appropriations Act
[9] American Rescue Plan ESSER

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF NEW YORK EDUCATION LAW

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONSOF NEW YORK EDUCATION LAW

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

Purpose (New York Education Law §2850)

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

(a) Improve student learning and achievement;

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

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

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

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

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

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

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

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

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

(a) The board of education of a school district eligible for an apportionment of aid under §3602(4) (apportionment of public moneys to school districts employing eight or more teachers) of the New York Education Law; provided that a board of education shall not approve an application for a school to be operated outside the school district's geographic boundaries and further provided that in a city having a population of 1,000,000 or more, the chancellor of any such city school district shall be the charter entity established by this paragraph;

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

(c) The Board of Regents.

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

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

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

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

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

(c) Copies of each of the annual reports of the charter school required by §2857(2) ofthe Act, including the charter school report cards and the certified financial statements.

(d) Indications of parent and student satisfaction.

(e) The means by which the charter school will meet or exceed enrollment and retention targets as prescribed by the Board of Regents or the Board of Trustees of the State University of New York, as applicable, of students with disabilities, English language learners, and students who are eligible applicants for the free and reduced price lunch program which shall be considered by the charter entity prior to approving such charter school's application for renewal. When developing such targets, the Board of Regents and the Board of Trustees of the State University of New York shall ensure (1) that such enrollment targets are comparable to the enrollment figures of such categories of students attending the public

schools within the school district, or in a city school district in a city having a population of 1,000,000 or more inhabitants, the community school district, in which the charter school is located; and (2) that such retention targets are comparable to the rate of retention of such categories of students attending the public schools within the school district, or in a city school district in a city have a population of 1,000,000 or more inhabitants, the community school district, in which the proposed charter school would be located.

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

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

(a) Upon the approval of a charter by the Board of Regents, the Board of Regents shall incorporate the charter school as an education corporation for a term not to exceed five (5) years, provided however in the case of charters issued pursuant to §2852(9-a) of the Act the Board of Regents shall incorporate the charter school as an education corporation for a term not to exceed five (5) years in which instruction is provided to pupils plus the period commencing with the effective date of the charter and ending with the opening of the school for instruction. Such certificate of incorporation shall not modify or limit any terms of the charter approved by the Board of Regents. Upon approval of an application to renew a charter, the Board of Regents shall extend the certificate of incorporation for a term not to exceed five (5) years. Upon termination or nonrenewal of the charter of a charter school pursuant to §2855 of the Act, the certificate of incorporation of the charter school shall be revoked by the Board of Regents pursuant to §219 (change of charter) of the New York Education law, provided that compliance with the notice and hearing requirements of the Act shall be deemed to satisfy the notice and hearing requirements of §219 of the New York Education law. It shall be the duty of the trustees of the charter school to obtain federal tax-exempt status no later than one year following approval of a charter school by the Board of Regents. For purposes of the Act, "certificate of incorporation" shall mean the provisional charter issued by the Board of Regents to form the charter school as an educational corporation pursuant to §§216 (charters) and 217 (provisional charters) of the New York Education Law.

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

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

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

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

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

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

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

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

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

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

Effective until June 30, 2024:

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

Effective June 30, 2024:

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

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

(c) A charter school may contract with the governing body of a public college or university for the use of a school building and grounds, the operation and maintenance thereof. Any such contract shall provide such services or facilities at cost. A school district shall permit any charter school granted approval to co-locate, to use such services and facilities without cost.

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

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

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

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

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

(c) A charter school shall be subject to the financial audits, the audit procedures, and the audit requirements set forth in the charter and shall be subject to audits of the comptroller of the city school district of The City of New York for charter schools located in City, and to audits of the New York State Comptroller for charter schools located in the rest of

the state, at his or her discretion, with respect to the school's financial operations. Such procedures and standards shall be consistent with generally accepted accounting and audit standards. Independent fiscal audits shall be required at least once annually.

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

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

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

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

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

(b) Any child who is qualified under the laws of this state for admission to a public school is qualified for admission to a charter school. Applications for admission to a charter school shall be submitted on a uniform application form created by the department and shall be made available by a charter school in languages predominately spoken **in** the community in which such charter school is located. The school shall enroll each eligible student who submits a timely application by the first day of April each year, unless the number of applications exceeds the capacity of the grade level or building. In such cases, students shall be accepted from among applicants by a random selection process, provided, however, that an enrollment preference

shallbe provided to pupils returning to the charter school in the second or any subsequent year of operation and pupils residing in the school district in which the charter school is located, and siblings of pupils already enrolled in the charter school. Preference may also be provided to children of employees of the charter school or charter management organization, provided that such children of employees may constitute no more than 15% of the charter school's total enrollment. The Commissioner shall establish regulations to require that the random selection process conducted pursuant to this paragraph be performed in a transparent and equitable manner and to require that the time and place of the random selection process be publicized in a manner consistent with the requirements of§104 of the Public Officers Law and be open to the public. For purposes of this paragraph and paragraph (a) above, the school district in which the charter school is located shall mean, for the city school district of The City of New York, the community district in which the charter school is located.

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

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

Causes for Revocation or Non-Renewal (New York Education Law §2855)

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

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

(b) Serious violations of law;

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

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

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

Notice of intent to revoke a charter shall be provided to the Board of Trustees of a charter school at least 30 days prior to the effective date of the proposed revocation. Such notice shall include a statement of reasons for the proposed revocation. The charter school shall be allowed at least 30 days to correct the problems associated with the proposed revocation. Prior to revocation of the charter, a charter school shall be provided an opportunity to be heard, consistent with the requirements of due process. Upon the termination of a charter, the charter school shall proceed with dissolution pursuant to the procedures of the charter and direction of the charter entity and the Board of Regents.

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

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

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

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

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

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

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

(c) a certified financial statement setting forth, by appropriate categories, the revenues and expenditures for the preceding school year, including a copy of the most recent

independent fiscal audit of the school and any audit conducted by the New York State Comptroller; and

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

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

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

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

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

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

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

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

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

Facilities (New York Education Law §2853(3))

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

(a-1) (i) For charters issued pursuant to §2852(9-a) of the Act located outside a city school district in a city having a population of 1,000,000 or more inhabitants, the department shall approve plans and specifications and issue certificates of occupancy for such charter schools. Such charter schools shall comply with all department health, sanitary, and safety requirements applicable to facilities and shall be treated the same as other public schools for purposes of local zoning, land use regulation and building code compliance. Provided however, that the department shall

be authorized to grant specific exemptions from the requirements of this paragraph to charter schools upon a showing that compliance with such requirements creates an undue economic hardship or that some other good cause exists that makes compliance with this paragraph extremely impractical. Ademonstrated effort to overcome the stated obstacles must be provided.

(a-1) (ii) In a city school district in a city with a population of 1,000,000 or more, all charters authorized to be issued by the chapter of the laws of2010 which amended this subdivision shall be obligated to comply with the department's health, safety and sanitary requirements applicable to facilities to the same extent as non-charter public schools in such a city school district.

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

(a-3) Before a charter school may be located or co-located in an existing public school building in a city school district in a city having a population of 1,000,000 or moreinhabitants, the chancellor shall identify which public school buildings may be subject to location or co-location, provide the rationale as to why such public school building is identified for location or co-location and shall make all such information publicly available, including via the city board's official internet website. In addition, the chancellor shall provide widespread notice of such information including to the community superintendent, community district education council and the school- based management team. After a public school building has been selected for a proposed location or co-location, the chancellor shall develop a building usage plan in accordance with the Act.

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

(a-5) Notwithstanding any provision to the contrary, in a city school district ina city having a population of 1,000,000 or more inhabitants, the determination to locate or co-locate a charter school within a public school building and the implementation of and compliance with the building usage plan developed pursuant to the Act that has been approved by the board of education of such city school district pursuant to the New York Education law and after satisfying the requirements of the New York Education law may be appealed to the commissioner pursuant to applicable provisions of the New York Education law. Provided further, the revision of a building usage plan approved by the board of education consistent with the requirements pursuant to the New York Education law may also be appealed to the commissioner on the grounds that such revision fails to meet the standards set forth in the Act. Following a petition for such appeal pursuant to this paragraph, such city school district shall have 10 days to respond. The petition must be dismissed, adjudicated or disposed of by the commissioner within 10 days of the receipt of the city school district's response.

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

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

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

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

(i) Notwithstanding any other provision of law to the contrary, within the later of (a) five months after a charter school's written request for co-location and (b) 30 days after the charter school's charter is approved by its charter entity, the city school district shall either: (1) offerat no cost to the charter school a co-location site in a public school building approved by the Board of Education as provided by law, or (2B) offer the charter school space in a privately owned or other publicly owned facility at the expense of the city school district and at no cost to the charter school. The space must be reasonable, appropriate and comparable and in the community school district to be served by the charter school and otherwise in reasonable proximity.

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

(iii) The charter school shall have the option of appealing the city school district's offeror failure to offer a co-location site through binding arbitration in accordance with the Act, an expedited appeal to the Commissioner pursuant to applicable provisions of the New

York Education Law, or a special proceeding pursuant to Article 78 of the civil practice law and rules. In any such appeal, the standard of review is the standard prescribed in§7803 of the civil practicelaw and rules.

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

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

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

(2) 30% of the product of the Charter School Basic Tuition for the current school year and (a) for a new charter school that first commences instruction on or after July 1, 2014, the charter school's current year enrollment; or (b) for a charter school which expands its grade level, pursuant to the Act, the positive difference of the charter school's enrollment in the current school year minus the charter school's enrollment in the school year prior to the first year of the expansion.

(vi) An arbitration in an appeal pursuant to this paragraph shall be conducted by a single arbitrator selected in accordance with the Act.

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

Effective until June 30, 2024:

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

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

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

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

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

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

(vi) for the 2018-2019 school year, the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year five years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to §3602(1)(t) of the New York Law Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year, provided that the highest and lowest annual quotients shall be excluded from the calculation of such average or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with§305(2l)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to §3602(1)(n) of the New York Education Law for theyear prior to the Base Year;

(vii) for the 2019-2020 school year the Charter School Basic Tuition shall be the lesserof (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to §3602(l)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year provided that the highest annual quotient calculated pursuant to this subparagraph shall be replaced by the average quotient calculated pursuant to subparagraph (vi) of this paragraph or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with§305(2l)(b) of the New York Education Law published annually on May 15th for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to §3602(1)(n) of the New York Education Law for the year prior to the Base Year;

(viii) for the 2020-2021 and 2021-2022 school years, the Charter School Basic Tuition shall be the lesser of (a) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to §3602(l)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year multiplied by, for the 2020- 2021 school year only, (iii) nine hundred forty-five one-thousandths (0.945) or (b) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with §305(2l)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to §3602(1)(n) of the New York Education Law for the year prior to the Base Year.

(ix) for the 2022-2023, 2023-2024, 2024-2025 school years, the Charter School BasicTuition shall be the lesser of (a) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year four years prior to the Base Year and finishing with the year prior to the Base Year, excluding the 2020-2021 school year, of the Total Approved Operating Expense for such school district calculated pursuant to §3602(1)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year or (b) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with §305(21)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to §3602(l)(n) of the New York Education Law for the year prior to the Base Year.

(x) for the 2025-2026 school year and thereafter, the Charter School Basic Tuition shall be the lesser of (a) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to §3602(l)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year or (b) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data filecreated for the purpose of compliance with§305(2l)(b) of the New York Education Law publishedannually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to §3602(l)(n) of the New York Education Law for the year prior to the Base Year.

For the purposes of this subdivision, the "supplemental basic tuition" shall be (a) for a school district for which the Charter School Basic Tuition for the current year is greater than or equal to the Charter School Basic Tuition for the 2010-2011 school year pursuant to the provisions of subparagraph (i) of this paragraph, (A) for the 2014-2015 school year $250, (B) for the 2015-2016 school year $350, (C) for the 2016-2017 school year $500, and (D) for the 2017-2018 school year and thereafter, the sum of (1) the supplemental basic tuition calculated for the 2016-2017 school year plus (2) $500, and (b) for school years prior to the 2017-2018 school year, for a school district for which the Charter School Basic Tuition for the2010-2011 school year is greater than the Charter School Basic Tuition for the current year pursuant to theprovisions of subparagraph (i) of this paragraph, the positive difference of the Charter School Basic Tuition for the 2010-2011 school year minus the Charter School Basic Tuition for the current year pursuant to the provisions of subparagraph (i) of this paragraph and (c) for school years following the 2016-2017 schools years, for a school district for which the Charter School Basic Tuition for the 2010-2011 school year is greater than the Charter School Basic Tuition for the current year pursuant to the provisions of subparagraph of this paragraph, the sum of (i) the supplemental basic tuition calculated for the 2016-2017 school year plus (ii) $500.

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

set forth in the charter until actual enrollment data is reported to the school district by the charter school. Such projections shall be reconciled with the actual enrollment as the actual enrollment data is reported and at the end of the school's first year of operation, and each subsequent year based on a final report of actual enrollment by the charter school, and any necessary adjustments resulting from such final report shall be made to payments during the school's following year of operation.

(c) Notwithstanding any other provision of this subdivision to the contrary, payment of the federal aid attributable to a student with a disability attending a charter school shall be made in accordance with the requirements of section 8065-a of title twenty of the United States code and sections 76.785-76.799 and 300.209 of title thirty-four of the code of federal regulations.

(d) School districts shall be eligible for an annual apportionment equal to the amount of the supplemental basic tuition for the charter school in the Base Year for the expenses incurred in the 2014- 2015, 2015-2016, and 2016-2017 school years and thereafter. Provided that for expenses incurred in the 2020-2021 school year, fir a city school district in a city having a population of 1,000,000 or more, the annual apportionment shall be reduced by $35,000,000 upon certificate of the director of the budget of the availability of a grant in the same amount from the elementary and secondary school emergency relief funds provided through the American Rescue Plan Act of 2021.

Effective June 30, 2024:

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

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

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

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

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

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

(vi) for the 2018-2019 school year, the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii)

the average of the quotients for each school year in the period commencing with the year five years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to §3602(1)(t) of the New York Law Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year, provided that the highest and lowest annual quotients shall be excluded from the calculation of such average or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with§305(2l)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to §3602(1)(n) of the New York Education Law for the year prior to the Base Year;

(vii) for the 2019-2020 school year the Charter School Basic Tuition shall be the lesser of (A) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to §3602(l)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year provided that the highest annual quotient calculated pursuant to this subparagraph shall be replaced by the average quotient calculated pursuant to subparagraph (vi) of this paragraph or (B) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with§305(2l)(b) of the New York Education Law published annually on May 15th for the year prior to the base year divided by the total estimated public enrollment for the school district pursuant to §3602(1)(n) of the New York Education Law for the year prior to the Base Year;

(viii) for the 2020-2021 and 2021-2022 school years, the Charter School Basic Tuition shall be the lesser of (a) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to §3602(l)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year multiplied by, for the 2020- 2021 school year only, (iii) nine hundred forty-five one-thousandths (0.945) or (b) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with §305(2l)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to §3602(1)(n) of the New York Education Law for the year prior to the Base Year.

(ix) for the 2022-2023, 2023-2024, 2024-2025 school years, the Charter School Basic Tuition shall be the lesser of (a) the product of (i) the Charter School Basic Tuition calculated for the Base Year multiplied by (ii) the average of the quotients for each school year in the period commencing with the year four years prior to the Base Year and finishing with the year prior to the Base Year, excluding the 2020-2021 school year, of the Total Approved Operating Expense for such school district calculated pursuant to §3602(1)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year or (b) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with §305(21)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to §3602(l)(n) of the New York Education Law for the year prior to the Base Year.

(x) for the 2025-2026 school year and thereafter, the Charter School Basic Tuition shall be the lesser of (a) the product of (i) the Charter School Basic Tuition calculated for the Base Year

multiplied by (ii) the average of the quotients for each school year in the period commencing with the year three years prior to the Base Year and finishing with the year prior to the Base Year of the Total Approved Operating Expense for such school district calculated pursuant to §3602(l)(t) of the New York Education Law for each such year divided by the Total Approved Operating Expense for such district for the immediately preceding year or (b) the quotient of the total general fund expenditures for the school district calculated pursuant to an electronic data file created for the purpose of compliance with§305(2l)(b) of the New York Education Law published annually on May 15th for the year prior to the Base Year divided by the total estimated public enrollment for the school district pursuant to §3602(l)(n) of the New York Education Law for the year prior to the Base Year.

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

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

(c) School districts shall be eligible for an annual apportionment equal to the amount of the supplemental basic tuition for the charter school in the Base Year for the expenses incurred in the 2014-2015, 2015-2016, and 2016-2017 school years and thereafter. Provided that for expenses incurred in the 2020-2021 school year, fir a city school district in a city having a population of 1,000,000 or more, the annual apportionment shall be reduced by $35,000,000 upon certificate of the director of the budget of the availability of a grant in the same amount from the elementary and secondary school emergency relief funds provided through the American Rescue Plan Act of 2021.

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

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

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

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

"Current year" shall mean the school year during which the apportionment is to be paid pursuant to this section.

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

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

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

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

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

(ii) for placement for 30% or more of the school week in a resource room or special services or programs including related services required for 30% or more of the school week, or inthe case of pupils in grades 7-12 or a multi-level middle school program as defined by the Commissioner or **in** the case of pupils in grades 4-6 **in** an elementary school operating on a periodbasis, the equivalent of five periods per week, but not less than the equivalent of 180 minutes in a resource room or in other special services or programs including related services, or for at least two hours per week of direct or indirect consultant teacher services, in accordance with regulations of the Commissioner adopted for such purpose, the special services weighting shall be 90%.

Computation of Total Aidable Pupil Units. A district's Total Aidable Pupil Units shall be the sum of the district's Adjusted Average Daily Attendance computed pursuant to this section for the year

prior to the Base Year multiplied by the Enrollment Index computed pursuant to this section for the Base Year plus the Additional Aidable Pupil Units computed for the year prior to the Base Year under paragraph (b) below.

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

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

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

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

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

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

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

"Public school district enrollment" shall mean the sum of: (a) the number of children on a regular enrollment register of a public school district on such date; (b) the number of children eligible to receive home instruction in the school district on such date; (d) the number of children for whom Equivalent Attendance must be computed pursuant to this Section on such date; (d) the number of children with disabilities who are residents of such district who are registered on such date to attend programs under theprovisions of paragraph (c) of§4401(2) (children with handicapping conditions definitions) of the New York Education Law; (e) the number of children eligible to receive educational services on such date but not claimed for aid pursuant to §3202(7) (public schools free to resident

pupils; tuition from nonresident pupils) of the New York Education Law; and (f) the number of children registered on such date to attend programs (i) pursuant to §355(2) (powers and duties of trustees - administrative and fiscal functions) of the New York Education Law or (ii) pursuant to an agreement between the New York City School District and Hunter College pursuant to §6216 of the New York Education Law.

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

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

(a) any balances and transfers;

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

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

(c) any payments for capital outlay and debt service for school building purposes, provided, however, that in the case of a school district which has entered into a contract with stateuniversity pursuant to §355(2)(0) (conduct of research and experiments) of the New York Education Law, under which the school district makes payment to state university on account of capital outlay relating to certain children residing in such school district, such payments shall not be so excluded;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Public School District Payments to Charter Schools (N.Y. Comp. Codes & Regs. Title 8, §119.l(a), (b))

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

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

For the purposes of this section:

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

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

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

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

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

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

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

Commissioner on May 15th of the Base Year pursuant to §305(21)(b) of the New York Education Law.

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

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

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

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

Financial Obligations of Charter Schools, Public School Districts and Education Department (N.Y. Comp. Codes & Regs. Title 8, §119.l(c)-(e))

Charter school obligations:

(a) No later than 30 days prior to the first business day of July, September, November, January, March and May, each charter school shall report to each public school district with resident pupils attending the charter school and to the department an updated estimate of the enrollment

ofstudents attending the charter school in the current school year who are residents of such public school district and any reduced amounts per pupil that shall be payable to the charter school for such students pursuant to subdivision one of§2856 of the New York Education Law that has beenestablished pursuant to an agreement between the charter school and the charter school entity as set forth in the charter. For each student with a disability attending such charter school, such report shall also indicate the level of special programs or services to be provided directly or indirectly to such student by the charter school and an estimated annual cost to be incurred by the charter school in providing such special programs or services. The Commissioner may excuse any delay in reporting under this paragraph for the length of time of a school closure ordered pursuant to an Executive Order of the Governor pursuant to a State of emergency for the COVID-19 crisis, however, such delay shall not exceed 30 days from such reporting deadline.

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

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

Public school district of residence obligations:

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

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

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

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

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

(iv) on or before the first business day of January, four sixths of the total amount due, as adjusted for any supplemental payments due or overpayments to be

recovered for the prior school year, minus any payments made before such date pursuant to subparagraphs (i), (ii) and (iii) of this subsection;

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

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

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

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

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

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

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

(f) If there is a delay in reporting pursuant to paragraph (a) under the heading "Charter school obligations," the Commissioner shall excuse any delay in payments required under this subdivision for the length of time of a school closure ordered pursuant to an Executive Order of the Governor pursuant to a State of emergency for the COVID-19 crisis, however, such delay shall not exceed 30 days from such payment deadline.

Department obligations:

(a) On or before the first day of June of each year, or as soon as practicable upon the receipt of Federal notice of the estimated State appropriation for the next school year, the Commissioner shall notify all school districts and all charter schools of the adjusted expense per pupil of each public school district and the estimated per pupil allocation under part B of the Federal Individuals with Disabilities Education Act to be used in the calculation of payments due to charter schools in next school year. Notice of final Federal per pupil allocation will be issued as soon as practicable upon the State's receipt of the notice of final allocation from the Federal government.

(b) In the event of the failure of a school district to fulfill the financial obligation required by §2956 of the New York Education Law equal to the amounts calculated pursuant

to this section, upon notification by the charter school, the Commissioner shall certify the amounts of the unpaid obligations to the comptroller to be deducted from State aid due the school district and paid to the applicable charter schools.

APPENDIX C-1

AUDITED FINANCIAL STATEMENTS OF THE SCHOOL FOR THE FISCAL YEAR ENDED JUNE 30, 2021

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BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

BRONX, NEW YORK

AUDITED FINANCIAL STATEMENTS

OTHER FINANCIAL INFORMATION

AND

INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2021
(With Comparative Totals for 2020)

MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

CONTENTS

MMB
MENGEL METZGER BARR & CO. LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Brilla College Preparatory Charter Schools

Report on the Financial Statements

We have audited the accompanying financial statements of Brilla College Preparatory Charter Schools, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brilla College Preparatory Charter Schools as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Brilla College Preparatory Charter Schools' June 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2020. In our opinion, the summarized comparative information presented herein as of June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
October 27, 2021

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021
(With Comparative Totals for 2020)

ASSETS	June 30, 2021	June 30, 2020
CURRENT ASSETS		
Cash and cash equivalents	$ 10,417,281	$ 6,051,857
Grants and other receivables	1,144,393	1,226,695
Prepaid expenses and other current assets	1,011,823	633,521
TOTAL CURRENT ASSETS	12,573,497	7,912,073
PROPERTY AND EQUIPMENT, net	1,906,085	1,794,220
OTHER ASSETS		
Security deposits	414,178	414,178
Cash in escrow	200,013	150,384
	614,191	564,562
TOTAL ASSETS	$ 15,093,773	$ 10,270,855
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Paycheck Protection Program note payable - current portion	$ -	$ 794,563
Accounts payable and accrued expenses	624,356	927,204
Accrued payroll and benefits	808,927	685,433
TOTAL CURRENT LIABILITIES	1,433,283	2,407,200
OTHER LIABILITIES		
Deferred lease liability	2,897,073	437,114
Paycheck Protection Program note payable	-	1,000,678
	2,897,073	1,437,792
TOTAL LIABILITIES	4,330,356	3,844,992
NET ASSETS - without donor restrictions	10,763,417	6,425,863
TOTAL LIABILITIES AND NET ASSETS	$ 15,093,773	$ 10,270,855

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

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

JUNE 30, 2021
(With Comparative Totals for 2020)

	Year ended June 30,	
	2021	2020
Revenue, gains and other support:		
Public school district:		
Resident student enrollment	$ 21,774,821	$ 15,018,034
Students with disabilities	2,910,766	1,437,348
Grants and contracts:		
State and local	-	72,492
Federal - Title and IDEA	980,041	681,317
Federal - other	1,442,159	887,996
NYC DOE Rental Assistance	5,377,703	3,627,540
TOTAL REVENUE, GAINS AND OTHER SUPPORT	32,485,490	21,724,727
Expenses:		
Program:		
Regular education	17,588,059	12,235,117
Special education	5,577,471	4,119,876
Total program services	23,165,530	16,354,993
Management and general	7,940,596	5,118,490
TOTAL OPERATING EXPENSES	31,106,126	21,473,483
SURPLUS FROM SCHOOL OPERATIONS	1,379,364	251,244
Support and other revenue:		
Contributions		
Foundations	852,852	54,935
Individuals	23,590	56,005
In-kind	-	10,800
Fundraising	7,157	11,404
Paycheck Protection Program note forgiveness	1,795,241	-
Interest income	3,938	43,178
Miscellaneous income	275,412	66,349
TOTAL SUPPORT AND OTHER REVENUE	2,958,190	242,671
CHANGE IN NET ASSETS	4,337,554	493,915
Net assets at beginning of year	6,425,863	5,931,948
NET ASSETS AT END OF YEAR	$ 10,763,417	$ 6,425,863

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

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES

JUNE 30, 2021
(With Comparative Totals for 2020)

	Year ended June 30, 2021						
		Program Services			Supporting Services		
	No. of Positions	Regular Education	Special Education	Sub-total	Management and general	Total	Year Ended June 30, 2020
Personnel services costs:							
Administrative staff personnel	29	$ 1,753,044	$ 477,163	$ 2,230,207	$ 1,122,510	$ 3,352,717	$ 3,210,292
Instructional personnel	120	5,894,130	2,415,073	8,309,203	-	8,309,203	6,131,819
Total salaries and wages	149	7,647,174	2,892,236	10,539,410	1,122,510	11,661,920	9,342,111
Fringe benefits and payroll taxes		1,371,783	521,053	1,892,836	199,929	2,092,765	1,638,331
Retirement benefits		212,469	80,525	292,994	31,121	324,115	237,855
Legal services		-	-	-	42,902	42,902	51,211
Accounting/Audit services		-	-	-	36,100	36,100	38,750
Management company fees		-	-	-	3,691,870	3,691,870	1,860,295
Other Purchased/Professional/Consulting Services		1,034,100	282,682	1,316,782	337,647	1,654,429	1,321,584
Building rent		5,280,459	1,257,718	6,538,177	1,491,420	8,029,597	4,329,068
Repairs and maintenance		28,241	6,800	35,041	7,717	42,758	25,198
Insurance expense		99,886	27,374	127,260	28,061	155,321	98,220
Supplies/Materials		526,106	127,255	653,361	-	653,361	501,603
Equipment/Furnishings		21,212	3,982	25,194	6,125	31,319	27,145
Leased equipment		52,700	14,652	67,352	14,820	82,172	65,255
Staff development		241,095	80,598	321,693	67,838	389,531	266,905
Marketing/Recruitment		194,586	49,776	244,362	35,721	280,083	247,904
Technology		183,939	50,105	234,044	51,716	285,760	195,215
Food services		799	258	1,057	-	1,057	866
Student services		197,337	47,195	244,532	-	244,532	293,134
Office expense		12,313	3,217	15,530	65,540	81,070	93,518
Travel and conferences		1,515	405	1,920	426	2,346	34,191
Depreciation and amortization		433,698	112,217	545,915	121,662	667,577	474,728
Other		48,647	19,423	68,070	587,471	655,541	330,396
		$ 17,588,059	$ 5,577,471	$ 23,165,530	$ 7,940,596	$ 31,106,126	$ 21,473,483

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

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

STATEMENT OF CASH FLOWS

JUNE 30, 2021
(With Comparative Totals for 2020)

	Year ended June 30, 2021	Year ended June 30, 2020
CASH FLOWS - OPERATING ACTIVITIES		
Change in net assets	$ 4,337,554	$ 493,915
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Depreciation and amortization	667,577	474,728
Paycheck Protection Program note forgiveness	(1,795,241)	-
Bad debt expense	15,003	20,033
Changes in certain assets and liabilities affecting operations:		
Grants and other receivables	67,299	(807,645)
Prepaid expenses and other current assets	(378,302)	(324,442)
Accounts payable and accrued expenses	(302,848)	3,776
Accrued payroll and benefits	123,494	176,345
Deferred revenue	-	(31,705)
Deferred lease liability	2,459,959	360,513
NET CASH PROVIDED FROM OPERATING ACTIVITIES	5,194,495	365,518
CASH FLOWS - INVESTING ACTIVITIES		
Purchases of property and equipment	(779,442)	(850,018)
NET CASH USED FOR INVESTING ACTIVITIES	(779,442)	(850,018)
CASH FLOWS - FINANCING ACTIVITIES		
Borrowings Paycheck Protection Program note payable	-	1,795,241
Repayments on long-term debt	-	(207,528)
NET CASH PROVIDED FROM FINANCING ACTIVITIES	-	1,587,713
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	4,415,053	1,103,213
Cash and cash equivalents and restricted cash at beginning of year	6,202,241	5,099,028
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 10,617,294	$ 6,202,241
NON-CASH OPERATING AND INVESTING ACTIVITIES		
Purchases of property and equipment included in accounts payable	$ -	$ 393,293

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

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Charter School

Brilla College Preparatory Charter Schools (the "Charter School") is an educational corporation that operates as a charter school in Bronx, New York.

The Charter currently operates Brilla College Preparatory Charter School and Brilla College Preparatory Charter School Veritas, that charter expires in July 2022. In October 2018, the SUNY Board of Trustees' Charter School Committee (SUNY) approved the initial five year charters for Brilla Caritas Charter School and Brilla Pax Charter School which opened in August of 2020 and expire June 2025.

The Charter School was established to provide its students in grades K-8 with traditional academic skills to develop their cognitive, social, emotional, and physical excellence.

In December 2020, the Charter School received approval from SUNY for a revision to its charter to create a joint high school program with another Charter School beginning in the 2022-2023 school year; however, this was rejected by the NY State Education Department and SUNY has yet to override this rejection.

Classification of net assets

The financial statements of the Charter School have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP). The Charter School reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

These classes of net assets are defined as follows:

Net Assets Without Donor Restrictions

The net assets over which the Board of Trustees has discretionary control to use in carrying on the Charter School's operations in accordance with the guidelines established by the Charter School. The Board may designate portions of the current net assets without donor restrictions for specific purposes, projects or investment.

Net Assets With Donor Restrictions

Net assets subject to donor (or certain grantor) 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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. The Charter School had no net assets with donor restrictions at June 30, 2021 or 2020.

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Revenue and support recognition

Revenue from Exchange Transactions: The Charter School recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

The Charter School records substantially all revenues over time as follows:

Public school district revenue

The Charter School recognizes revenue as educational programming is provided to students throughout the year. The Charter School earns state and local per pupil revenue based on the approved per pupil tuition rate of the public school district in which the pupil resides. The amount received each year from the resident district is the product of the approved per pupil tuition rate and the full-time equivalent student enrollment of the School. Each NYS school district has a fixed per pupil tuition rate which is calculated annually by NYSED in accordance with NYS Education Law. Amounts are billed in advance every other month and payments are typically received in six installments during the year. At the end of each school year, a reconciliation of actual enrollment to billed enrollment is performed and any additional amounts due or excess funds received are agreed upon between the Charter School and the district(s) and are paid or recouped. Additional funding is available for students requiring special education services. The amount of additional funding is dependent upon the length of time and types of services provided by the Charter School to each student, subject to a maximum amount based upon a set rate for each district as calculated by NYSED.

Rental assistance

Facilities rental assistance funding is provided by the New York City Dept of Education (NYCDOE) to qualifying charter schools located in the five boroughs of NYC. In order to receive rental assistance funding, a charter school must have commenced instruction or added grade levels in the 2014-15 school year or thereafter, and go through a space request process with the NYCDOE. If NYCDOE is not able to provide adequate space, the charter school can become eligible for rental assistance. Rental assistance is calculated as the lesser of 30% of the per-pupil tuition rate for NYC times the number of students enrolled, or actual total rental costs. As rental assistance is based on the number of students enrolled, revenue is recognized throughout the year as educational programming is provided to students.

The following table summarizes contract balances at their respective statement of financial position dates:

	June 30,		
	2021	2020	2019
Grants and other receivables	$ 94,061	$ 906,532	$ 196,467

Contributions

The Charter School recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Grant revenue

Some of the Charter School's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Charter School has incurred expenditures in compliance with specific contract or grant provisions. Certain grants are subject to audit and retroactive adjustments by its funders. Any changes resulting from these audits are recognized in the year they become known. Qualifying expenditures that have been incurred but are yet to be reimbursed are reported as grants and contracts receivable in the accompanying statement of financial position. Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the accompanying statement of financial position. The Charter School received cost-reimbursement grants of approximately $412,000 and $224,000 that have not been recognized at June 30, 2021 and 2020, respectively, because qualifying expenditures have not yet been incurred.

Cash and cash equivalents

Cash and certificates of deposit balances are maintained at financial institutions located in New York and are insured by the FDIC up to $250,000 at each institution. The Charter School considers all highly liquid investments with a maturity of six months of less when purchased to be cash equivalents. In the normal course of business, the cash account balances at any given time may exceed insured limits. However, the Charter School has not experienced any losses in such accounts and does not believe it is exposed to significant risk in cash and cash equivalents.

Cash and cash equivalents and restricted cash balances for the years ended June 30, 2021 and 2020 consisted of the following:

	June 30,	
	2021	2020
Cash and cash equivalents	$ 10,417,281	$ 6,051,857
Cash in escrow	200,013	150,384
	$ 10,617,294	$ 6,202,241

Cash in escrow

The Charter School maintained cash in an escrow account in accordance with the terms of its Charter agreement, to pay off expenses in the event of dissolution of the Charter School.

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Grants and other receivables

Grants and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts based on its assessment of the current status of individual receivables from grants, agencies and others. Balances that are still outstanding after management has used reasonable collection efforts are written off against the allowance for doubtful accounts. There was no allowance for doubtful accounts at June 30, 2021 and 2020.

Property and equipment

Property and equipment are recorded at cost. Depreciation and amortization are computed using the straight-line method on a basis considered adequate to depreciate the assets over their estimated useful lives, which range from three to seven years. Leasehold improvements are amortized over the term of the lease.

Major renewals and betterments are capitalized, while repairs and maintenance are charged to operations as incurred. Upon sale or retirement, the related cost and allowances for depreciation are removed from the accounts and the related gain or loss is reflect in operations.

Contributed services

The Charter School receives contributed services from volunteers to serve on the Board of Trustees. These services are not valued in the financial statements because they do not require "specialized skills" and would typically not be purchased if they were not contributed. The Charter School received food supplies and services, speech and occupational therapy, paraprofessionals, nursing services, counseling services and metro cards for student transportation from the local district.

In-kind contributions

Gifts and donations other than cash are recorded at fair market value at the date of contribution. There were no in-kind contributions received for the year ended June 30, 2021. There were in-kind contributions of $10,800 received for year ended June 30, 2020.

Tax exempt status

The Charter School is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income. The Charter School has filed for and received income tax exemptions in the various jurisdictions where it is required to do so.

The Charter School files Form 990 tax returns in the U.S. federal jurisdiction. The tax returns for the years ended June 30, 2018 through June 30, 2021 are still subject to potential audit by the IRS. Management of the Charter School believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

Marketing costs

The Charter School expenses marketing costs as they are incurred. Total marketing and recruiting costs approximated $280,100 and $247,900 for the years ended June 30, 2021 and 2020, respectively.

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Deferred lease liability

The Charter School leases its facilities. The leases contain significant pre-determined fixed escalations of the base rent. In accordance with GAAP, the Charter School recognizes the related rent expense on a straight-line basis and records the difference between the recognized rental expense and the amounts paid under the lease as a deferred lease liability.

Security deposits

Security deposits are made up of payments to third parties in connection with facility lease agreements.

Use of estimates in the preparation of financial statements

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Comparatives for the period ended June 30, 2020

The financial statements include certain prior year summarized comparative information in total but not by functional classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Charter School's financial statements for the period ended June 30, 2020, from which the summarized information was derived.

New accounting pronouncements

Leases

In February 2016, the FASB issued a new standard related to leases to increase transparency and comparability among entities by requiring the recognition of right-of-use ("ROU") assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases under current U.S. GAAP. For nonpublic entities, the FASB voted on May 20, 2020 to extend the guidance in this new standard to be effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Charter School is currently evaluating the provisions of this standard to determine the impact the new standard will have on the Charter School's financial position or results of operations.

NOTE A: THE CHARTER SCHOOL AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Cont'd

Gifts-in-kind

In September 2020, the FASB issued a new accounting update to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind. The update requires not-for-profit entities to present contributed nonfinancial assets separately on the statement of activities, apart from contributions of cash and other financial assets. In addition, the update requires not-for-profit entities to disclose in the notes to the financial statements a breakout of the different types of gifts-in-kind recognized, any donor restrictions associated with the gift, the valuation technique(s) used to arrive at the fair value measure, whether or not the gift-in-kind was monetized, and any policies on monetization. The update is effective for fiscal years beginning after June 15, 2021 and will be applied on a retrospective basis. The Charter School is currently evaluating the provisions of this update to determine the impact it will have on the Charter School's financial statements.

Subsequent events

The Charter School has conducted an evaluation of potential subsequent events occurring after the statement of financial position date through October 27, 2021, which is the date the financial statements are available to be issued. No subsequent events requiring disclosure were noted, except as disclosed in Note F.

NOTE B: LIQUIDITY AND AVAILABILITY

The Charter School regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Charter School's main source of liquidity is its cash accounts.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Charter School considers all expenditures related to its ongoing activities of teaching, and public service as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Charter School operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Charter School's cash and shows positive cash generated by operations for fiscal years 2021 and 2020.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2021 and 2020:

	June 30,	
	2021	2020
Cash and cash equivalents	$ 10,417,281	$ 6,051,857
Grants and other receivables	1,144,393	1,226,695
Total financial assets available to management for general expenditures within one year	$ 11,561,674	$ 7,278,552

The Charter School has a line of credit with a maximum borrowings of $1,000,000 which they could draw upon in the event of unanticipated liquidity needs. At June 30, 2021, no amount was outstanding on this line.

NOTE C: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30, 2021	June 30, 2020
Furniture and fixtures	$ 1,047,342	$ 873,219
Computer equipment and software	1,288,752	1,174,378
Office equipment	443,923	441,309
Leasehold improvements	2,928,254	2,254,424
Construction in progress	-	185,499
	5,708,271	4,928,829
Less accumulated depreciation and amortization	3,802,186	3,134,609
	$ 1,906,085	$ 1,794,220

At June 30, 2020, a portion of the Charter School's property and equipment was in progress. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and put into use. During the year 2021, the project was completed and the Charter School began depreciating the assets. Total depreciation and amortization expense was approximately $667,600 and $474,000 for the years ended June 30, 2021 and 2020, respectively.

NOTE D: LINE OF CREDIT

The Charter School has available $1,000,000 of a line of credit with a bank, with an interest rate at the current 12 month CD rate plus 1% (an effective rate of 1.25% at June 30, 2021). There were no borrowings outstanding on this line at June 30, 2021.

NOTE E: COMMITMENTS

The Charter School has an Academic and Business Services Agreement with Seton Education Partners, Inc. (Seton). The agreement began on July 1, 2017 and renews annually on June 30. Seton will be responsible and accountable to the Board for the administration, operations, education, and performance of the Charter School in accordance with the Charter and the Charter School's budget.

The Charter School will pay Seton a percentage of the total enrollment of students multiplied by the approved per pupil operating expenses, payable six times a year. The fee ranges from ten percent for the first three years of a school and then twelve percent thereafter. Effective July 1, 2020, the fee increased to fifteen percent. The fee for the years ended June 30, 2021 and 2020 was approximately $3,692,000 and $1,860,000, respectively. There was approximately $500 due to Seton at June 30, 2021. There were no amounts due to Seton at June 30, 2020. There was approximately $28,700 and $135,700 due from Seton, at June 30, 2021 and 2020, respectively.

NOTE F: SCHOOL FACILITIES

The Charter School currently subleases all of its facilities from Seton, totaling approximately 151,000 square feet of classrooms and office facilities along with 1,900 square feet of play-yard at June 30, 2021.

The Charter School subleases a property at East 144th Street under a non-cancelable lease agreement expiring in June 2023. The current monthly payment is $130,820 and will increase each year of the lease term by the agreed upon amount as described in the lease.

In November 2016, the Charter School signed a sublease for the middle school located on Courtlandt Avenue and made an additional security deposit of $100,000. The lease was to begin in August 2017 and go through June 2036 with two optional 5 year renewal options. In July 2018, the Charter School revised this agreement. The lease began on July 1, 2018. The current monthly payment is $98,451 and will increase each year of the lease term by the agreed upon amount as described in the lease. (1)

The Charter School also signed a sublease agreement for a property located on College Avenue which commenced in July 2019 and expired in June 2020. This lease renewed in September 2021, for $101,000 per month through June 2022.

The Charter School signed a rental agreement for property located on East 156th Street in which substantial improvements must be made by the lessor before the commencement date and made a security deposit of $300,000. The lease commenced September 2020 and expires June 2051. The current monthly payment is $141,838. The payment will increase each year of the lease by the agreed upon amount as described in the lease.

In January 2020, the Charter School signed an agreement to guarantee debt related to property at 2336 Andrews Avenue North, for the Caritas and Pax Elementary Schools. The initial amount of the construction loan was $11,136,000; terms are currently being negotiated and will be set during the year ending June 30, 2022. The current monthly payment is $116,167 and will increase each year of the lease term by the agreed upon amount as described in the lease. (1)

(1) As a condition of the lease the Charter School has certain financial covenants with Seton's lender. The Charter School was in compliance with these covenants at June 30, 2021.

Rent expense was approximately $8,030,000 and $4,329,000 for the years ended June 30, 2021 and 2020, respectively.

NOTE F: SCHOOL FACILITIES, Cont'd

The future minimum payments on these agreements for base rent are as follows:

Year ending June 30,	Amount
2022	$ 7,375,000
2023	6,987,100
2024	4,967,700
2025	5,573,400
2026	6,130,100
Thereafter	101,248,600
	$ 132,281,900

NOTE G: OPERATING LEASES

The Charter School leases office equipment under non-cancelable lease agreements expiring at various dates through July 2024. The approximate future minimum payments on these agreements are as follows:

Year ending June 30,	Amount
2022	$ 64,900
2023	33,400
2024	18,000
2025	1,400
	$ 117,700

NOTE H: CONCENTRATIONS

At June 30,2021 and 2020, approximately 97% and 88%, respectively, of grants and other receivables were due from New York State and federal agencies.

During both of the years ended June 30, 2021 and 2020, approximately 76% of total operating revenue and support came from per-pupil funding provided by New York State. The per-pupil rate is set annually by the State based on the school district in which the Charter School's students are located.

During both of the years ended June 30, 2021 and 2020, approximately 17% of total operating revenue and support came from rental assistance provided by New York City Department of Education.

NOTE I: RETIREMENT PLAN

The Charter School sponsors a defined contribution 403(b) plan covering all regular employees. The Charter School may make a discretionary contribution to the plan. In 2019 the board approved the Charter School to make up to a 5% match of employee contributions. The Charter School contributed approximately $324,000 and $238,000 to the Plan for the years ended June 30, 2021 and 2020, respectively.

NOTE J: CONTINGENCIES

Certain grants and contracts may be subject to audit by funding sources. Such audits might result in disallowance of costs submitted for reimbursement by the Charter School. Management is of the opinion that such disallowances, if any, will not have a material effect on the accompanying financial statements. Accordingly, no amounts have been provided in the accompanying financial statements for such potential claims.

NOTE K: FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. All expenses that are allocated to more than one program or supporting function are allocated on the basis of estimates of time and effort.

NOTE L: NET ASSETS

Net assets without donor restrictions are as follows:

	June 30,	
	2021	2020
Property and equipment	$ 1,906,085	$ 1,794,220
Undesignated	8,857,332	4,631,643
	$ 10,763,417	$ 6,425,863

NOTE M: ACCOUNTING IMPACT OF COVID-19 OUTBREAK

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Charter School's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Charter School is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

In response to the COVID-19 outbreak, in May 2020, the Charter School applied for and was approved by a bank for a loan of $1,795,241 through the Paycheck Protection Program established by the Small Business Administration. The loan had a maturity of two years and an interest rate of 1%. The loan had the potential for forgiveness provided certain requirements were met by the Charter School. The loan was funded in May 2020 and was reported as note payable in the accompanying statement of financial position at June 30, 2020. On January 25, 2021, the loan was forgiven in full by the Small Business Administration, which is reported as Paycheck Protection Program note forgiveness on the accompanying statement of activities and changes in net assets for the year ended June 30, 2021.

In response to the COVID-19 outbreak, the Federal Government passed several COVID relief acts which include funding for elementary and secondary education. The Elementary and Secondary School Emergency Relief Fund (ESSER Fund) was established to award grants to state and local educational agencies. The Charter School has recognized $556,819 of revenue relative to ESSER grants during the year ended June 30, 2021.

NOTE N: RENEWAL PROCESS

The Charter School is currently in the process of renewing its charter as granted by the New York State Board of Regents. The Charter for Brilla Preparatory Charter School Veritas currently expires July 31, 2022. The renewal process includes review by State University of New York Charter Schools Institute (CSI) of various operational and governance aspects, including fiscal health and internal controls, board governance, and academic performance. The Charter School has submitted its application for renewal. Upon review of the application and results, CSI will determine if the charter should be renewed and if so, for how long. Successful charter renewals can range from one to five years. At this time, management of the Charter School expects the charter to be renewed.

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

OTHER FINANCIAL INFORMATION

MMB
MENGEL METZGER BARR & CO. LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON OTHER FINANCIAL INFORMATION

Board of Trustees
Brilla College Preparatory Charter Schools

We have audited the financial statements of Brilla College Preparatory Charter Schools for the year ended June 30, 2021, and have issued our reports thereon dated October 27, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The financial information hereinafter is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements for the year ended June 30, 2021, as a whole.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
October 27, 2021

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BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY CHARTER

YEAR ENDED JUNE 30, 2021

	Brilla College Preparatory						
	Elementary School	Middle School	Total	Brilla Veritas	Brilla Caritas	Brilla Pax	Total
Revenue, gains and other support:							
Public school district							
Resident student enrollment	$ 7,408,309	$ 5,360,688	$ 12,768,997	$ 5,920,833	$ 1,558,691	$ 1,526,300	$ 21,774,821
Students with disabilities	1,183,143	805,417	1,988,560	704,227	69,614	148,365	2,910,766
Grants and contracts:							
Federal - Title and IDEA	345,248	254,238	599,486	254,545	61,097	64,913	980,041
Federal - other	238,939	176,090	415,029	138,937	522,193	366,000	1,442,159
NYC DOE Rental Assistance	1,305,963	1,445,291	2,751,254	1,700,908	467,607	457,934	5,377,703
TOTAL REVENUE, GAINS AND OTHER SUPPORT	10,481,602	8,041,724	18,523,326	8,719,450	2,679,202	2,563,512	32,485,490
Expenses:							
Program:							
Regular education	4,648,347	3,985,251	8,633,598	4,619,482	2,250,083	2,084,896	17,588,059
Special education	1,857,118	1,567,587	3,424,705	1,368,706	419,348	364,712	5,577,471
TOTAL PROGRAM EXPENSES	6,505,465	5,552,838	12,058,303	5,988,188	2,669,431	2,449,608	23,165,530
Management and general	2,304,984	1,711,954	4,016,938	2,114,197	946,917	862,544	7,940,596
TOTAL OPERATING EXPENSES	8,810,449	7,264,792	16,075,241	8,102,385	3,616,348	3,312,152	31,106,126
SURPLUS (DEFICIT) FROM SCHOOL OPERATIONS	1,671,153	776,932	2,448,085	617,065	(937,146)	(748,640)	1,379,364
Support and other revenue:							
Contributions							
Foundations	69,459	34,210	103,669	78,475	335,361	335,347	852,852
Individuals	23,590	-	23,590	-	-	-	23,590
Fundraising	2,705	1,540	4,245	1,747	575	590	7,157
Paycheck Protection Program note forgiveness	747,246	465,365	1,212,611	481,586	54,632	46,412	1,795,241
Interest income	1,332	928	2,260	1,153	267	258	3,938
Miscellaneous income	56,598	33,146	89,744	116,629	34,719	34,320	275,412
TOTAL SUPPORT AND OTHER REVENUE	900,930	535,189	1,436,119	679,590	425,554	416,927	2,958,190
CHANGE IN NET ASSETS	2,572,083	1,312,121	3,884,204	1,296,655	(511,592)	(331,713)	4,337,554
Net assets (deficiency) at beginning of year	5,035,598	(129,121)	4,906,477	1,234,835	362,514	(77,963)	6,425,863
NET ASSETS (DEFICIENCY) AT END OF YEAR	$ 7,607,681	$ 1,183,000	$ 8,790,681	$ 2,531,490	$ (149,078)	$ (409,676)	$ 10,763,417

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2021

		Brilla College Preparatory					
		Program Services			Supporting Services		
	No. of Positions	Regular Education	Special Education	Sub-total	Management and general	Sub-total	Total
Personnel Services Costs:							
Administrative staff personnel	16	$ 1,024,914	$ 330,476	$ 1,355,390	$ 453,532	$ 453,532	$ 1,808,922
Instructional personnel	69	3,350,022	1,591,443	4,941,465	-	-	4,941,465
Total salaries and wages	85	4,374,936	1,921,919	6,296,855	453,532	453,532	6,750,387
Fringe benefits and payroll taxes		783,600	344,237	1,127,837	81,233	81,233	1,209,070
Retirement benefits		122,420	53,780	176,200	12,691	12,691	188,891
Legal services		-	-	-	24,762	24,762	24,762
Accounting/Audit services		-	-	-	21,205	21,205	21,205
Management company fees		-	-	-	2,200,615	2,200,615	2,200,615
Other Purchased/Professional/Consulting Services		503,580	171,168	674,748	200,065	200,065	874,813
Building rent		1,891,956	610,048	2,502,004	537,064	537,064	3,039,068
Repairs and maintenance		2,917	941	3,858	828	828	4,686
Insurance expense		56,909	18,350	75,259	16,155	16,155	91,414
Supplies/Materials		220,957	71,246	292,203	-	-	292,203
Equipment/Furnishings		3,093	997	4,090	878	878	4,968
Leased equipment		33,290	10,734	44,024	9,450	9,450	53,474
Staff development		120,652	49,395	170,047	34,249	34,249	204,296
Student services		86,785	27,983	114,768	15,898	15,898	130,666
Technology		103,938	33,514	137,452	29,504	29,504	166,956
Food services		799	258	1,057	-	-	1,057
Student services		80,253	25,877	106,130	-	-	106,130
Office expense		6,481	2,090	8,571	28,122	28,122	36,693
Travel and conferences		846	273	1,119	240	240	1,359
Depreciation and amortization		212,342	68,468	280,810	60,277	60,277	341,087
Other		27,844	13,427	41,271	290,170	290,170	331,441
		$ 8,633,598	$ 3,424,705	$ 12,058,303	$ 4,016,938	$ 4,016,938	$ 16,075,241

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2021

	Brilla Veritas						
		Program Services			Supporting Services		
	No. of Positions	Regular Education	Special Education	Sub-total	Management and general	Sub-total	Total
Personnel Services Costs:							
Administrative staff personnel	7	$ 383,294	$ 91,534	$ 474,828	$ 327,927	$ 327,927	$ 802,755
Instructional personnel	33	1,601,800	593,630	2,195,430	-	-	2,195,430
Total salaries and wages	40	1,985,094	685,164	2,670,258	327,927	327,927	2,998,185
Fringe benefits and payroll taxes		373,599	128,949	502,548	61,717	61,717	564,265
Retirement benefits		54,595	18,844	73,439	9,019	9,019	82,458
Legal services		-	-	-	12,106	12,106	12,106
Accounting/Audit services		-	-	-	9,725	9,725	9,725
Management company fees		-	-	-	996,794	996,794	996,794
Other Purchased/Professional/Consulting Services		270,617	68,685	339,302	87,564	87,564	426,866
Building rent		1,420,565	339,245	1,759,810	383,370	383,370	2,143,180
Repairs and maintenance		22,871	5,462	28,333	6,172	6,172	34,505
Insurance expense		27,869	6,655	34,524	7,521	7,521	42,045
Supplies/Materials		102,948	24,585	127,533	-	-	127,533
Equipment/Furnishings		1,306	312	1,618	352	352	1,970
Leased equipment		11,458	2,736	14,194	3,092	3,092	17,286
Staff development		67,636	20,285	87,921	18,253	18,253	106,174
Marketing/Recruitment		58,357	13,936	72,293	10,185	10,185	82,478
Technology		49,357	11,787	61,144	13,320	13,320	74,464
Student services		38,551	9,206	47,757	-	-	47,757
Office expense		2,656	634	3,290	13,002	13,002	16,292
Travel and conferences		343	82	425	92	92	517
Depreciation and amortization		121,071	28,913	149,984	32,674	32,674	182,658
Other		10,589	3,226	13,815	121,312	121,312	135,127
		$ 4,619,482	$ 1,368,706	$ 5,988,188	$ 2,114,197	$ 2,114,197	$ 8,102,385

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2021

	Brilla Caritas						
		Program Services			Supporting Services		
	No. of Positions	Regular Education	Special Education	Sub-total	Management and general	Sub-total	Total
Personnel Services Costs:							
Administrative staff personnel	3	$ 144,422	$ 20,370	$ 164,792	$ 180,551	$ 180,551	$ 345,343
Instructional personnel	9	493,459	152,100	645,559	-	-	645,559
Total salaries and wages	12	637,881	172,470	810,351	180,551	180,551	990,902
Fringe benefits and payroll taxes		109,730	29,669	139,399	31,059	31,059	170,458
Retirement benefits		18,057	4,882	22,939	5,111	5,111	28,050
Legal services		-	-	-	3,080	3,080	3,080
Accounting/Audit services		-	-	-	2,639	2,639	2,639
Management company fees		-	-	-	243,155	243,155	243,155
Other Purchased/Professional/Consulting Services		133,125	19,805	152,930	27,097	27,097	180,027
Building rent		1,018,775	143,693	1,162,468	288,588	288,588	1,451,056
Repairs and maintenance		898	127	1,025	254	254	1,279
Insurance expense		7,779	1,097	8,876	2,204	2,204	11,080
Supplies/Materials		112,877	15,921	128,798	-	-	128,798
Equipment/Furnishings		7,531	1,062	8,593	2,133	2,133	10,726
Leased equipment		6,105	861	6,966	1,729	1,729	8,695
Staff development		26,331	5,046	31,377	7,459	7,459	38,836
Marketing/Recruitment		22,266	3,140	25,406	4,914	4,914	30,320
Technology		15,805	2,229	18,034	4,477	4,477	22,511
Student services		46,692	6,586	53,278	-	-	53,278
Office expense		1,801	254	2,055	12,400	12,400	14,455
Travel and conferences		204	29	233	58	58	291
Depreciation and amortization		79,004	11,143	90,147	22,379	22,379	112,526
Other		5,222	1,334	6,556	107,630	107,630	114,186
		$ 2,250,083	$ 419,348	$ 2,669,431	$ 946,917	$ 946,917	$ 3,616,348

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

STATEMENT OF FUNCTIONAL EXPENSES BY CHARTER

YEAR ENDED JUNE 30, 2021

		Brilla Pax					
		Program Services			Supporting Services		
	No. of Positions	Regular Education	Special Education	Sub-total	Management and general	Sub-total	Total
Personnel Services Costs:							
Administrative staff personnel	3	$ 200,414	$ 34,783	$ 235,197	$ 160,500	$ 160,500	$ 395,697
Instructional personnel	9	448,849	77,900	526,749	-	-	526,749
Total salaries and wages	12	649,263	112,683	761,946	160,500	160,500	922,446
Fringe benefits and payroll taxes		104,854	18,198	123,052	25,920	25,920	148,972
Retirement benefits		17,397	3,019	20,416	4,300	4,300	24,716
Legal services		-	-	-	2,954	2,954	2,954
Accounting/Audit services		-	-	-	2,531	2,531	2,531
Management company fees		-	-	-	251,306	251,306	251,306
Other Purchased/Professional/Consulting Services		126,778	23,024	149,802	22,921	22,921	172,723
Building rent		949,163	164,732	1,113,895	282,398	282,398	1,396,293
Repairs and maintenance		1,555	270	1,825	463	463	2,288
Insurance expense		7,329	1,272	8,601	2,181	2,181	10,782
Supplies/Materials		89,324	15,503	104,827	-	-	104,827
Equipment/Furnishings		9,282	1,611	10,893	2,762	2,762	13,655
Leased equipment		1,847	321	2,168	549	549	2,717
Staff development		26,476	5,872	32,348	7,877	7,877	40,225
Marketing/Recruitment		27,178	4,717	31,895	4,724	4,724	36,619
Technology		14,839	2,575	17,414	4,415	4,415	21,829
Student services		31,841	5,526	37,367	-	-	37,367
Office expense		1,375	239	1,614	12,016	12,016	13,630
Travel and conferences		122	21	143	36	36	179
Depreciation and amortization		21,281	3,693	24,974	6,332	6,332	31,306
Other		4,992	1,436	6,428	68,359	68,359	74,787
		$ 2,084,896	$ 364,712	$ 2,449,608	$ 862,544	$ 862,544	$ 3,312,152

APPENDIX C-2

AUDITED FINANCIAL STATEMENTS OF THE SCHOOL FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019

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Seton Education Partners

FINANCIAL REPORT

June 30, 2020

SETON EDUCATION PARTNERS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Seton Education Partners
New York, New York

We have audited the accompanying financial statements of Seton Education Partners (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Seton Education Partners as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

D. K. Weiss, Holt & Associates, PLLC

Kentwood, Michigan
November 6, 2020

SETON EDUCATION PARTNERS
STATEMENTS OF FINANCIAL POSITION

	June 30, 2020	June 30, 2019
Assets		
Current Assets		
Cash and cash equivalents	$ 8,192,555	$ 5,997,476
Accounts and contributions receivable	47,233	407,997
Prepaid expenses and other current assets	388,329	157,160
Total current assets	8,628,117	6,562,633
Property and Equipment (Note 3)	14,314,960	4,984,188
Other Assets		
Intangible assets (Note 4)	121,408	143,590
Security deposits	406,500	403,408
Total other assets	527,908	546,998
Total Assets	**$ 23,470,985**	**$ 12,093,819**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 1,538,980	$ 108,051
Current portion of long-term debt	7,714,514	203,769
Accrued expenses and other current liabilities	1,137,311	795,676
Total current liabilities	10,390,805	1,107,496
Long-term Debt (Note 5)	6,139,000	5,408,973
Deferred Rent (Note 7)	1,181,666	444,453
Total liabilities	17,711,471	6,960,922
Net Assets		
Without donor restrictions	4,326,188	3,050,659
With donor restrictions (Note 6)	1,433,326	2,082,238
Total net assets	5,759,514	5,132,897
Total Liabilities and Net Assets	**$ 23,470,985**	**$ 12,093,819**

See accompanying notes to financial statements.

SETON EDUCATION PARTNERS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contributions	$ 817,401	$ 2,236,583	$ 3,053,984
Emergency fund donations	232,561	-	232,561
Management and network fee income	1,962,196	-	1,962,196
Rental income	3,968,555	-	3,968,555
After-school tuition	61,504	-	61,504
Interest income	21,045	-	21,045
Other income	685,389	-	685,389
Net assets released from restriction	2,885,495	(2,885,495)	-
Total revenue, gains, and other support	10,634,146	(648,912)	9,985,234
Expenses			
Program services	8,835,037	-	8,835,037
Management and general	513,635	-	513,635
Fundraising	9,945	-	9,945
Total expenses	9,358,617	-	9,358,617
Increase (Decrease) in Net Assets	1,275,529	(648,912)	626,617
Net Assets - Beginning of Year	3,050,659	2,082,238	5,132,897
Net Assets - End of Year	**$ 4,326,188**	**$ 1,433,326**	**$ 5,759,514**

See accompanying notes to financial statements.

SETON EDUCATION PARTNERS
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Gains, and Other Support			
Contributions	$ 164,973	$ 1,517,536	$ 1,682,509
Management and network fee income	1,484,514	-	1,484,514
Rental income	2,731,200	-	2,731,200
After-school tuition	59,031	-	59,031
Interest income	10,887	-	10,887
Other income	404,084	-	404,084
Net assets released from restriction	1,271,480	(1,271,480)	-
Total revenue, gains, and other support	6,126,169	246,056	6,372,225
Expenses			
Program services	6,199,763	-	6,199,763
Management and general	354,112	-	354,112
Fundraising	20,312	-	20,312
Total expenses	6,574,187	-	6,574,187
Increase (Decrease) in Net Assets	(448,018)	246,056	(201,962)
Net Assets - Beginning of Year	3,498,677	1,836,182	5,334,859
Net Assets - End of Year	**$ 3,050,659**	**$ 2,082,238**	**$ 5,132,897**

See accompanying notes to financial statements.

SETON EDUCATION PARTNERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

		Supporting Activities			
	Program Services	Management and General	Fundraising	Supporting Activities Subtotal	Total Expenses
Amortization expense	$ 22,182	$ -	$ -	$ -	$ 22,182
Building operations	999,274	-	-	-	999,274
COVID expenses	203,053	-	-	-	203,053
Depreciation expense	363,495	12,207	-	12,207	375,702
Events	44,522	1,430	-	1,430	45,952
Insurance	82,018	14,930	-	14,930	96,948
Interest expense	298,746	-	-	-	298,746
Marketing	60,678	9,681	176	9,857	70,535
Miscellaneous expense	413,298	17,489	-	17,489	430,787
Occupancy	1,436,923	18,059	-	18,059	1,454,982
Office expense	62,783	23,536	89	23,625	86,408
Outside services	397,313	159,390	-	159,390	556,703
Payroll taxes and benefits	454,273	41,957	1,066	43,023	497,296
Program supplies	236,279	-	-	-	236,279
Property taxes	5,197	-	-	-	5,197
Recruiting and training	221,730	9,478	-	9,478	231,208
Salaries and wages	2,820,131	194,707	7,800	202,507	3,022,638
Teaching fellowship	544,068	-	-	-	544,068
Travel	169,076	10,772	815	11,587	180,663
Total	**$ 8,835,037**	**$ 513,635**	**$ 9,945**	**$ 523,582**	**$ 9,358,617**

See accompanying notes to financial statements.

SETON EDUCATION PARTNERS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

		Supporting Activities			
	Program Services	Management and General	Fundraising	Supporting Activities Subtotal	Total Expenses
Amortization expense	$ 29,256	$ -	$ -	$ -	$ 29,256
Building operations	931,667	-	-	-	931,667
Contingency	474	-	-	-	474
Depreciation expense	340,160	1,516	416	1,932	342,092
Events	21,787	-	5	5	21,792
Insurance	77,700	1,723	473	2,196	79,896
Interest expense	335,042	-	-	-	335,042
Marketing	26,368	1,376	389	1,765	28,133
Miscellaneous expense	23,919	801	1,748	2,549	26,468
Occupancy	641,282	1,840	505	2,345	643,627
Office expense	60,191	4,102	1,320	5,422	65,613
Outside services	328,260	7,693	2,113	9,806	338,066
Payroll taxes and benefits	331,005	50,201	1,659	51,860	382,865
Program supplies	302,484	138	38	176	302,660
Property taxes	4,777	-	-	-	4,777
Recruiting and training	127,169	2,779	763	3,542	130,711
Salaries and wages	1,942,949	278,375	3,663	282,038	2,224,987
Teaching fellowship	493,210	126	35	161	493,371
Travel	182,063	3,442	7,185	10,627	192,690
Total	**$ 6,199,763**	**$ 354,112**	**$ 20,312**	**$ 374,424**	**$ 6,574,187**

See accompanying notes to financial statements.

SETON EDUCATION PARTNERS
STATEMENTS OF CASH FLOWS

	Year-ended June 30, 2020	2019
Cash Flows from Operating Activities		
Increase (decrease) in net assets	$ 626,617	$ (201,962)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	375,702	342,092
Loss on sale of property and equipment	714	354
Amortization	22,182	29,256
(Increase) decrease in assets:		
Accounts and contributions receivable	360,764	1,516,082
Prepaid expenses and other current assets	(231,169)	(2,045)
Security deposits	(3,092)	(36,328)
Increase (decrease) in liabilities:		
Accounts payable	1,430,929	(17,094)
Accrued expenses and other current liabilities	341,635	(54,471)
Deferred rent	737,213	444,453
Net cash provided by operating activities	3,661,495	2,020,337
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	-	859
Purchase of property and equipment	(9,707,188)	(447,129)
Net cash used in investing activities	(9,707,188)	(446,270)
Cash Flows from Financing Activities		
Proceeds from issuance on long-term debt	8,444,540	-
Principal payments on long-term debt	(203,768)	(192,234)
Net cash provided by (used in) financing activities	8,240,772	(192,234)
Net Increase in Cash and Cash Equivalents	2,195,079	1,381,833
Cash and Cash Equivalents - Beginning of year	5,997,476	4,615,643
Cash and Cash Equivalents - End of year	**$ 8,192,555**	**$ 5,997,476**
Supplemental disclosure of cash flow information		
Cash paid during the year for interest	$ 298,746	$ 335,042

See accompanying notes to financial statements.

NOTE 1 – NATURE OF OPERATIONS

Seton Education Partners (the "Organization"), was established in February, 2009 and seeks to expand opportunities for parents in underserved communities to choose an academically excellent, character rich, and - for those who seek it – vibrantly Catholic education for their children.

The Organization was born of the belief that a tremendous opportunity exists to revitalize urban Catholic schools in America and strengthen the education they provide.

In addition to working directly with Catholic schools serving the poor, the Organization also helps to launch and manage public charter schools of virtue in places where large numbers of Catholic schools have closed.

NOTE 1 – NATURE OF OPERATIONS (CONTINUED)

Significant programs consist of the following:

Program	Description
Blended Learning Network	The Organization partners with existing urban Catholic schools to implement the blended learning program. The Organization will hire one on-site manager to lead this effort and train the school staff on how to use data effectively to improve the student's academic performance. The Organization will help the school improve its college-going culture and teach the administration how to become more financially sustainable.
El Camino Network	An optional after-school faith formation and enrichment program.
Brilla Charter School Network	Brilla Public Charter Schools ('Brilla') is a 501(c)(3) charter school network inspired by the classical education tradition that aims to help students grow intellectually, socially, and physically into young men and women of good character and spirit; to be prepared for excellence in high school, college, and beyond. The Organization has a contractual relationship with the board of trustees of Brilla to be its charter management organization (CMO).
Brillante Charter School Network	Brillante Charter Schools ('Brillante') is a 501(c)(3) charter school network seeking to ensure children in underserved communities have access to a holistic education that produces outstanding academic growth, strong moral character, and vibrant communities. The Organization is in the process of developing a contractual relationship with the Brillante board for its startup phase and will serve as its charter management organization (CMO).
Seton Teaching Fellows	A program designed for recent college graduates who have an interest in service, community building, faith and teaching. The graduates co-teach in a classroom at the Organization's charter schools and lead classes at El Camino. Fellows live in an intentional faith community.
Romero Academics	An initiative in its pilot phase with its first school in Cincinnati, Ohio. The schools will be vibrantly Catholic and academically excellent and will be located in states with robust public financing for private schools.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) *"Audit and Accounting Guide for Not-for-Profit Organizations"* (the "Guide"). ASC 958-205 became effective for fiscal years beginning after December 15, 2017.

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and / or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service.

Revenue and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606),* as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of the various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Organization considers all investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of demand deposits in banks, cash on hand, money market investments, and certificates of deposit balances that approximate cost.

The Organization maintains its cash in bank deposit accounts that, at times, may exceed the federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per account. At June 30, 2020 and 2019, the Organization had approximately $4,253,000 and $4,676,000 on deposit in excess of FDIC insured limits. However, the Organization has never experienced any loss in such accounts and management believes it is not exposed to any significant credit risk to cash.

Accounts and Contributions Receivable

Contributions receivable are carried at anticipated net realizable value. The Organization will establish an allowance for doubtful accounts based on historical collection experience and a review of outstanding amounts receivable. A receivable is considered past due if the Organization has not received payment within agreed upon stated terms. After all attempts to collect have failed, the receivable is written off against the allowance for doubtful accounts. At June 30, 2020 and 2019, management considered all amounts to be collectible and accordingly, no allowance for doubtful accounts has been established.

Property and Equipment

Property and equipment with a projected useful life exceeding one year and in excess of $1,000 are recorded at cost. Depreciation is computed principally using the straight-line method, based on estimated useful lives of the assets. Costs of maintenance and repairs that do not extend the life of the asset are charged to expense when incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (continued)

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Intangible Assets

Intangible assets consist of costs incurred to secure long-term debt and costs incurred in connection with its sub-leased property. These costs are capitalized and amortized on a straight-line basis over the life of the related debt or lease.

After-School Tuition

The Organization recognizes after-school tuition revenue in the period in which the related educational instruction is performed.

Measure of Operations

The statements of activities and changes in net assets reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities.* The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has adjusted the presentation of these statements accordingly.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and benefits – which are allocated based on estimated time and effort. All other expenses are allocated based on the benefit received, estimates of time and costs of specific technology utilized and / or estimates of time and effort.

Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Organization is a not-for-profit organization and has been granted tax-exempt status by the Internal Revenue Service under the provisions of Code Section 501(c)(3). Net income from activities unrelated to the Organization's tax-exempt purpose is subject to taxation. The Organization had no significant unrelated business income during 2020 or 2019, and accordingly, no provision for income taxes has been made in the accompanying financial statements.

The Organization annually files IRS Form 990 – *Return of Organization Exempt from Income Tax* and reports various information that the IRS uses to monitor the activities of tax-exempt entities. The tax returns are subject to review by the taxing authorities generally for a period of three years after they were filed. With few exceptions, the Organization is no longer subject to tax examinations by tax authorities for years before 2017. Further, there were no tax penalties or interest recognized during the year or accrued at year end.

Accounting for Uncertainty in Income Taxes

The Organization has adopted the provisions of ASC Topic 740, *Income Taxes*, relating to uncertain tax positions. ASC Topic 740 provides a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions.

The effects of tax positions are recognized in the financial statements consistent with amounts reflected in tax returns filed or expected to be filed with taxing authorities. For tax positions the Organization considers to be uncertain, current or deferred tax liabilities are recognized or assets de-recognized, when it is probable that an income tax liability has been incurred and the amount is reasonably estimable, or when it is probable that a tax benefit, such as a tax credit or loss carryforward, will be disallowed by a taxing authority.

No amounts have been identified, or recorded, as uncertain tax positions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Marketing

Marketing costs are expensed when incurred. Marketing costs totaled $70,534 and $28,133 during 2020 and 2019, respectively.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make many estimates and assumptions that may have a material impact on the Organization's financial statements and related disclosures and on the comparability of such information over different reporting periods. All such estimates and assumptions affect reported amounts of assets, liabilities, revenues and expenses, as well as disclosures of contingent assets and liabilities. Estimates and assumptions are based on management's experience and other information available prior to the issuance of the financial statements. Materially different results can occur as circumstances change and additional information becomes known.

NOTE 3 – PROPERTY AND EQUIPMENT

Costs and depreciable lives of property and equipment are summarized as follows:

	2020	2019	Depreciable Life-Years
Buildings and improvements	$ 5,996,664	$ 5,766,196	15 - 39
Computer equipment	48,733	39,265	3
Construction in progress	9,415,742	28,277	n/a
Furniture and fixtures	34,529	4,566	5
Leasehold improvements	438,303	392,258	6
Total property and equipment	15,933,971	6,230,562	
Less accumulated depreciation	1,619,011	1,246,374	
Net property and equipment	**$ 14,314,960**	**$ 4,984,188**	

Depreciation expense totaled $375,702 and $342,092 during 2020 and 2019, respectively.

NOTE 4 – INTANGIBLE ASSETS

Intangible assets consist of the following:

	June 30, 2020	June 30, 2019
Deferred financing costs	$ 278,467	$ 278,467
Deferred leasing costs	21,653	21,653
Total intangible assets	300,120	300,120
Less: accumulated amortization	178,712	156,530
Net intangible assets	**$ 121,408**	**$ 143,590**

Estimated future amortization expense is as follows:

2021	$ 8,033
2022	8,033
2023	8,033
2024	8,033
2025 and after	89,276
Total	**$ 121,408**

NOTE 5 – LONG-TERM DEBT

Long-term debt consists of the following:

	June 30, 2020	June 30, 2019
Note payable to real estate development fund, due in monthly installments of $22,818 including interest at 5.75%. The note is secured by substantially all of the assets of the Organization as well as the assignment of certain sublease rents (Note 6), balance due June 30, 2033.	$ 2,784,792	$ 2,895,016
Construction note payable to real estate investment fund allowing for advances up to $2,375,960, due in monthly installments of $18,248 including interest at 6.14%. The note is secured by substantially all of the assets of the Organization, balance due May 1, 2036.	2,220,851	2,300,779
Mortgage note payable to bank, due in monthly installments of $2,948 including interest at 5.21%. The note is secured by substantially all of the assets of the Organization, balance due December 2, 2027.	403,331	416,947
Note payable to real estate development fund. The note is unsecured and bears interest at 2.75%, balance due November 30, 2024.	600,000	-
Construction note payable to real estate investment fund, allowing for advances up to $11,169,000, bearing interest at 3.94%. The note is secured by substantially all of the assets of the Organization. The loan will convert to a term loan upon construction completion.	7,360,738	-

NOTE 5 – LONG-TERM DEBT (CONTINUED)

	2020	2019
Paycheck protection program ('PPP') note payable to bank, maturing April 7, 2022. The note is unsecured, due in monthly interest only installments at 1.00%. All payments have been deferred until January 7, 2021. Some or all of the note payable could be forgiven as a non-taxable grant.	$ 483,802	$ -
Total:	13,853,514	5,612,742
Less: current portion	7,714,514	203,769
Long-term portion	**$ 6,139,000**	**$ 5,408,973**

Minimum principal payments on long-term debt to maturity as of June 30, 2020 are as follows:

2021	$ 7,714,514
2022	575,309
2023	242,988
2024	857,599
2025	273,197
2026 and after	4,189,907
Total	**$ 13,853,514**

In connection with certain long-term notes payable described above, the Organization has agreed to various financial covenants, including the maintenance of a minimum debt service coverage ratio, the maintenance of a minimum lease service coverage ratio (with that of an entity affiliated through similar management), and the maintenance of minimum level of unrestricted net assets. At June 30, 2020, the Organization was in compliance with all financial covenants.

NOTE 6 – NET ASSETS - WITH DONOR RESTRICTIONS

The Organization received contributions totaling $2,236,583 and $1,517,536 during 2020 and 2019, respectively that were subject to expenditure for specified purposes.

Net assets with donor restrictions are for the following purposes at June 30:

	2020	2019
Program:		
Blended Learning Network	$ 579,618	$ 1,574,358
Brilla Charter School Network	-	200,000
Brillante Charter School Network	-	7,880
Romero Academy	853,707	300,000
Total	**$ 1,433,325**	**$ 2,082,238**

Releases of net assets with donor restrictions during 2020, are as follows:

	2020	2019
Program:		
Blended Learning Network	$ 753,420	$ 779,977
Brilla Charter School Network	975,000	346,883
Brillante Charter School Network	257,880	29,620
El Camino Network	90,000	15,000
General and Administrative	180,000	-
Romero Academy	629,195	75,000
Seton Teaching Fellows	-	25,000
Total	**$ 2,885,495**	**$ 1,271,480**

NOTE 7 – LEASES

The Organization leases four facilities from the Roman Catholic Church in Bronx, New York. The leases expire at various dates between 2024 and 2036 but contain provisions to be extended for additional terms ranging from one to fifteen years. The lease agreements required total rent payments of $492,825 during the period July 1, 2019 through June 30, 2020. Three of the leases contain escalating rent clauses that increase rent payments to a maximum of $285,915, $325,000 and $2,190,073 during the last year of the respective lease period.

The Organization also leases an apartment in New York City, under an agreement that expires June 30, 2021. The lease requires monthly payments totaling $6,500. Rent expense totaled $68,000 and $69,300 during 2020 and 2019, respectively.

The Organization entered into three subleases for the above-mentioned properties with charter schools. The subleases expire at various dates between 2020 and 2046 and contain options to extend the subleases in accordance with the terms of the respective leases. In accordance with the sublease agreements, annual rent totaled $3,968,555 and $2,731,200 during 2020 and 2019, respectively. Annual rent is set to increase based on the percentage change in the consumer price index (CPI) for the immediate prior 12-month period. In addition to the base lease requirements, the charter schools are responsible for their allocable share of operating costs of the premises. While the Organization has the responsibility to pay for ongoing facility costs, the general operations of the school are the responsibility of the charter school.

In accordance with accounting principles generally accepted in the United States of America, for leases containing provisions for future rent increases, the Organization records annual rent expense equal to the total of the payments due over the lease term, divided by the number of years of the lease term. The difference between rent expense recorded and the amount paid is credited or charged to "*Deferred Rent*" - which is included in the accompanying *Statement of Financial Position*, and totaled $1,181,666 and $444,453 as of June 30, 2020 and 2019, respectively.

NOTE 7 – LEASES (CONTINUED)

Required future minimum lease payments as of June 30, 2020 are as follows:

2021	$ 687,261
2022	758,335
2023	903,502
2024	1,090,405
2025	1,035,713
Total	**$ 4,475,216**

NOTE 8 – RETIREMENT PLAN

The Organization offers all full-time employees who meet certain age and length of service requirements participation in its 401(k)-retirement savings program. Employees have the option to defer amounts from their paycheck into either pre-tax (traditional) or post-tax (ROTH) retirement accounts. Upon eligibility, the Organization will match deferrals dollar for dollar up to 3% of compensation, and further match 50% of deferrals up to 5% of compensation. Employer contributions are 100% vested at the date of contribution. Participants over age 50 may also make an additional catch-up contribution.

Employer contributions to the Plan totaled $82,285 and $53,648 during 2020 and 2019, respectively.

NOTE 9 – MAJOR DONORS

Three donors accounted for $2,011,583 (approximately 66%) of the Organization's total contributions during 2020. There were no amounts due from these donors at June 30, 2020.

Four donors accounted for $1,089,000 (approximately 58%) of the Organization's total contributions during 2019. Amounts due from these donors at June 30, 2019 totaled $200,000 (approximately 49%).

NOTE 10 – LIQUIDITY

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	June 30,	
	2020	2019
Cash and cash equivalents	$ 8,192,555	$ 5,997,476
Accounts and contributions receivable	47,233	407,997
Total	**$ 8,239,788**	**$ 6,405,473**

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The accounts and contributions receivable are expected to be collected within one year.

NOTE 11 – SUBSEQUENT EVENTS AND MANAGEMENT PLANS

On March 11, 2020 the World Health Organization declared the outbreak of a respiratory disease caused by a novel coronavirus as a "pandemic." First identified in late 2019 and known now as COVID-19, the outbreak has impacted hundreds of thousands of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations.

No impairments have been recorded in the accompanying *statement of activities and changes in net assets* as no triggering events or changes in circumstances had occurred as of year-end; however, due to significant uncertainty surrounding the situation, management's judgement regarding this could change in the future.

Subsequent to year-end, the Organization transitioned staff to work remotely, implemented remote learning for its elementary schools and increased fundraising efforts to establish an emergency fund to assist schools and parents in need.

NOTE 11 – SUBSEQUENT EVENTS AND MANAGEMENT PLANS (CONTINUED)

To mitigate any additional reductions in cash flow and to stabilize liquidity in the short term, the Organization has:

- Utilized the Paycheck Protection Program ('PPP') under the CARES Act - - which allowed for payroll assistance through a federally guaranteed loan backed by the Small Business Administration ('SBA'). Some or all of the PPP loan could be forgiven as a non-taxable grant.

- Revised its 2020 operating budget and reduced costs associated with non-critical expenses.

Management believes these actions will allow the Organization to meet its obligations as they become due within one year of November 6, 2020, the date these financial statements were available to be issued.

With the exception of the matters described above, there were no material subsequent events that required recognition or further disclosure in these financial statements.

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APPENDIX D

FORM OF MASTER INDENTURE

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MASTER TRUST INDENTURE AND SECURITY AGREEMENT

Related to

Brilla College Preparatory Charter Schools – (Archdiocese of New York)

between

SETON EDUCATION PARTNERS

and

THE BANK OF NEW YORK MELLON,
as Master Trustee

Dated as of

November 1, 2021

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ARTICLE IX
SATISFACTION AND DISCHARGE OF MASTER INDENTURE

MASTER TRUST INDENTURE AND SECURITY AGREEMENT

THIS MASTER TRUST INDENTURE AND SECURITY AGREEMENT (this "***Master Indenture***"), dated as of November 1, 2021, is between SETON EDUCATION PARTNERS, a Wyoming nonprofit corporation (the "***Company***"), and THE BANK OF NEW YORK MELLON, a banking corporation organized and existing under the laws of the State of New York, not in its individual capacity but solely as the Master Trustee (the "***Master Trustee***").

W I T N E S S E T H:

WHEREAS, the Company is authorized by law and deems it necessary and desirable to enter into this Master Indenture for the purpose of providing for the incurrence of Debt and the issuance of Notes hereunder to evidence and secure such Debt for the benefit of Participating Campuses within Brilla College Preparatory Charter Schools, a New York, education corporation ("***Brilla***");

WHEREAS, from time to time the Company may enter into additional master trust indentures and security agreements for additional organizations with each such indenture secured by mutually exclusive collateral;

WHEREAS, all acts and things necessary to constitute these presents a valid indenture and agreement according to its terms have been done and performed and the execution of this Master Indenture has in all respects been duly authorized, and the Company, in the exercise of the legal right and power vested in it, has executed this Master Indenture and may incur Debt and make, execute, issue and deliver Notes hereunder.

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH:

GRANTING CLAUSES

In order to declare the terms and conditions upon which Notes are to be authenticated, issued and delivered, and to secure the payment of Notes and the performance and observance of all of the covenants and conditions herein or therein contained, and in consideration of the premises, of the purchase and acceptance of Notes by the holders thereof and of the sum of One Dollar to them duly paid by the Master Trustee at the execution of these presents, the receipt and sufficiency of which is hereby acknowledged, the Company has executed and delivered this Master Indenture and by these presents does hereby convey, grant, assign, transfer, pledge, set over, confirm and grant a security interest in and to the Master Trustee, its successor or successors and its or their assigns forever, all and singular the property, real and personal, hereinafter described (said property being herein sometimes referred to as the "***Trust Estate***") to wit:

(a) all Pledged Revenues of the Company except and excluding all such items, whether now owned or hereafter acquired by the Company, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by the Company, or which cannot be granted, pledged, or assigned hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which

otherwise may not be, or are not, hereby lawfully and effectively granted, pledged, and assigned by the Company, provided that the Company may subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property;

(b) all moneys and securities, if any, at any time held by the Master Trustee in the Revenue Fund and any other fund or account established under the terms of this Master Indenture, or held by other banks or fiduciary institutions which are collaterally assigned to the Master Trustee as security for the Notes including any depository account specified in the Company Deposit Account Control Agreement and all securities, financial assets (as defined in Section 8-102(a)(9) of the UCC) and securities entitlements (within the meaning of Section 8-102(a)(17) of the UCC) and, with respect to Book-Entry Securities, in the applicable Federal Book-Entry Regulations, carried in or credited to such fund or account;

(c) All right, title and interests of the Company in the Leases (as defined below), as amended from time to time and as assigned to the Master Trustee under the Assignment of Rents and Leases, between the Company and Brilla, including but not limited to the Lease Revenues (as defined herein), any and all security heretofore or hereafter granted or held for the payment thereof, and the present and continuing right to bring actions and proceedings under the Lease or for the enforcement thereof and to do any and all things which the Master Trustee is or may become entitled to do thereunder, but excluding the Company's Unassigned Rights (as defined herein);

(d) all accounts, general intangibles, bank accounts holding any portion of the Pledged Revenues, contract rights and related rights of the Company (each as defined in the UCC), whether now owned or hereafter acquired or arising and wherever located;

(e) any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as additional security hereunder by the Company or by anyone on its behalf to the Master Trustee, subject to the terms thereof, including without limitation, funds of the Company held by the Master Trustee as security for the Notes;

(f) any real and personal property subject to the lien of any Leasehold Mortgage (as hereinafter defined); and

(g) proceeds of the foregoing, including cash proceeds and cash equivalents, products, accessions and replacements.

In addition to the foregoing, the "Trust Estate" includes all goods, documents, instruments, tangible and electronic chattel paper, letter of credit rights, investment property, accounts, deposit accounts, general intangibles (including payment intangibles and software) money and other items of personal property, including proceeds (as each such term is defined in the UCC) which constitute any of the property described in the foregoing Granting Clauses; provided that, the Trust Estate described above shall never include and no collateral described herein may ever be included within the trust estate described in any Other Master Indenture (as defined herein).

TO HAVE AND TO HOLD IN TRUST, upon the terms herein set forth, subject to Section 210 hereof, for the equal and proportionate benefit, security, and protection of all Note Holders

issued under and secured by this Master Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Notes over any other; provided, however, that if the Company shall pay, or cause to be paid, the principal of the Notes or the obligations secured thereby and the redemption or prepayment premium, if any, and the interest and any other amounts due or to become due thereon in full at the times and in the manner mentioned in the Notes according to the true intent and meaning thereof, and the Company shall keep, perform and observe all the covenants and conditions pursuant to the terms of this Master Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment this Master Indenture and the rights hereby granted and the restrictions hereby incurred shall cease, determine and be void; otherwise this Master Indenture shall be and remain in full force and effect. Notwithstanding anything in this Master Indenture to the contrary, when all of the Notes are no longer Outstanding, the Master Trustee may execute a release of the lien of this Master Indenture on the Leasehold Mortgage and any property of the Company encumbered thereby.

NOW, THEREFORE, in consideration of the premises, the Company covenants and agrees with the Master Trustee, for the equal and proportionate benefit of the respective Note Holders from time to time, as follows:

ARTICLE I
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Construction of Terms; Definitions

.

(a) For all purposes of this Master Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) The term "***Master Indenture***" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(2) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Master Indenture as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in this Article have the meanings assigned to them in this Article throughout this Master Indenture, and include the plural as well as the singular. Reference to any Person means that Person and its successors and assigns.

(4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(5) The terms used in this Master Indenture and not defined herein have the meanings assigned to them in the Related Bond Documents.

(b) The following terms have the meanings assigned to them below whenever they are used in this Master Indenture:

"***Accountant***" means a Person engaged in the practice of accounting who is a certified public accountant and who (except as otherwise expressly provided herein) may be employed by or affiliated with the Company.

"***Annual Debt Service Requirements***" of any specified Person means, for any Fiscal Year, the principal of (and premium, if any) and interest and other debt service charges (which include for purposes hereof, any fees or premiums for any letter of credit, surety bond, policy of insurance, bond purchase agreement, or any similar credit or liquidity support secured in connection therewith) on all Debt of such Person coming due at Maturity or Stated Maturity, and, for such purposes, any one or more of the following rules shall apply:

(a) Committed Take Out - if such Person has received a binding commitment, within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to refund or purchase any of its Debt at its Stated Maturity (or, if due on demand, or payable in respect of any required purchase of such Debt by such Person, at any date on which demand may be made), then the portion of the Debt committed to be refunded or purchased shall be excluded from such calculation and the principal of (and premium, if any) and interest on the Debt incurred for such refunding or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Maturity or purchase date of the Debt to be refunded or purchased, shall be added;

(b) Pro Forma Refunding - in the case of Balloon Debt, if the Person obligated thereon shall deliver to the Master Trustee a certificate of a nationally recognized firm of investment bankers or financial consultants dated within ninety (90) days prior to the date of delivery of such certificate to the Master Trustee stating that financing at a stated interest rate (which shall not be less than the Bond Buyer Revenue Bond Index or, if the Bond Buyer Revenue Bond Index is unavailable, a comparable index on the date of such certificate to refund any of such Balloon Debt) with a Stated Maturity of not greater than 30 years is reasonably attainable, then for the purpose of calculating what future Annual Debt Service Requirements will be, any installment of principal of (and premium, if any) and interest and other debt service charges on such Balloon Debt that could so be refunded shall be excluded from such calculation and the principal plus interest of the refunding debt shall be evenly allocated over the life of the refunding debt with equal principal payments plus interest deemed due each year but solely for the purpose of spreading the principal requirements for calculation of coverage;

(c) Prefunded Payments - principal of (and premium, if any) and interest and other debt service charges on Debt, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal, premium, interest, or other debt service charges are payable from funds irrevocably deposited or set aside in trust for the payment thereof at the time of such

calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust or escrowed with the Master Trustee or another Independent Person approved by the Master Trustee);

(d) Variable Rate Debt - as to any Debt that bears interest at a variable interest rate which cannot be ascertained at the time of calculation, an interest rate equal to the greater of an annual interest rate equal to the Bond Buyer Revenue Bond Index (or, if the Bond Buyer Revenue Bond Index is unavailable, a comparable index chosen by the Company's financial advisor) and the weighted average rate of interest borne by such Debt (or other indebtedness of comparable credit quality, maturity and purchase terms in the event that such Debt was not outstanding) during the preceding Fiscal Year (or any period of comparable length ending within 180 days) prior to the date of calculation shall be presumed to apply for all future dates and the principal shall be evenly allocated over the life of the Debt issue with an equal amount of principal deemed due each year but solely for the purpose of spreading the principal requirements for calculation of coverage;

(e) Contingent Obligations - in the case of any guarantees or other Debt described in clause (iii) of the definition of Debt, the principal of (and premium, if any) and interest and other debt service charges on such Debt for any Fiscal Year shall be deemed to be 25% of the principal of (and premium, if any) and interest and other debt service charges on the indebtedness guaranteed due in such Fiscal Year; provided, however, that if the Person that guarantees or is otherwise obligated in respect of such Debt is actually required to make any payment in respect of such Debt, the total amount payable by such Person in respect of such guarantee or other obligation in such Fiscal Year shall be included in any computation of the Annual Debt Service Requirements of such Person for such year and the amount payable by such Person in respect of such guarantee or other obligation in any future Fiscal Year shall be included in any computation of the estimated Annual Debt Service Requirements for such Fiscal Year; and

(f) Financial Products - in the event there shall have been issued or entered into in respect of all or a portion of any Debt a Financial Products Agreement with a Qualified Provider with respect to Debt, interest on such Debt shall be included in the calculation of Annual Debt Service Requirements by including for such period an amount equal to the amount payable on such Debt in such period at the rate or rates stated in such Debt plus any payments payable by such Person in respect of such Financial Products Agreement minus any payments receivable by such Person in respect of such Financial Products Agreement, as calculated by the financial advisor to the Company.

"***Assignment of Rents and Leases***" means any assignment of rents and leases, whether in a separate instrument or agreement or contained in the Leasehold Mortgage, and in either case executed by the Company encumbering the Participating Campuses in favor the Master Trustee as beneficiary.

"***Authorized Denominations***" means the amounts, if any, set forth therefor in the Supplemental Master Indenture authorizing any series of Notes.

"***Authorized Representative***" means the President, Chief Executive Officer, or Chief Financial and Operating Officer of any Person, or any other person duly appointed by the Governing Body of such Person to act on behalf of such Person, each as evidenced by a written certificate furnished to the Master Trustee containing the specimen signature of such person or persons and signed by an authorized officer. The Master Trustee may conclusively rely on such written certificate until it is given written notice to the contrary.

"***Balloon Debt***" means Debt where the principal of (and premium, if any) and interest and other debt service charges on such Debt due (or payable in respect of any required purchase of such Debt by such Person on demand) in any Fiscal Year either are equal to or exceed 25% of the total principal of (any premium, if any) and interest and other debt service charges on such Debt or exceed by more than 50% the greatest amount of principal of (and premium, if any) and interest and other debt service charges on such Debt due in any preceding or succeeding Fiscal Year.

"***Base Rent***" means all amounts payable to the Company from Brilla as Base Rent pursuant to a Lease.

"***Board Resolution***" means a copy of a resolution certified by the Person responsible for maintaining the records of the Governing Body to have been duly adopted by the Governing Body and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

"***Code***" means the Internal Revenue Code of 1986, as amended from time to time, and the corresponding provisions, if any, of any successor internal revenue laws of the United States.

"***Company***" means Seton Education Partners, a Wyoming nonprofit corporation, its permitted successors and assigns, and any resulting, surviving or transferee Person permitted hereunder.

"***Company Unassigned Rights***" means, under the Leases, the rights of the Company to (a) inspect books and records of Brilla, (b) give or receive notices, approvals, consents, requests and other communications, (c) receive payment or reimbursement for expenses, (d) immunity from and limitation of liability, (e) indemnification from liability by Brilla, and (f) security for Brilla's indemnification obligation.

"***Consent***," "***Order***," and "***Request***" each means a written consent, order or request signed in the name of the Company and delivered to the Master Trustee by an Authorized Representative, or any other Person designated by the Company to execute any such instrument on behalf of the Company as evidenced by an Officer's Certificate.

"***Corporate Trust Office***" means the address or addresses of the Master Trustee designated from time to time in accordance with Section 104.

"***Debt***" means all Senior and Subordinate Debt and all:

(i) indebtedness incurred or assumed by the Company, whether on a senior or subordinate basis as provided herein, for borrowed money or for the acquisition, construction or improvement of property other than goods that are acquired in the ordinary course of business of the Company;

(ii) lease obligations of the Company that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(iii) all indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money for the acquisition, construction or improvement of property or capitalized lease obligations guaranteed, directly or indirectly, in any manner by the Company, or in effect guaranteed, directly or indirectly, by the Company through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(iv) all indebtedness (other than items described under Section 201(c)) secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Company whether or not the Company has assumed or become liable for the payment thereof.

For the purpose of computing "***Debt***", there shall be excluded (A) any particular Debt if upon or prior to the Maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or evidences of such Debt or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption or satisfaction of such Debt and (B) any Debt that is incurred pursuant to, secured under or for the benefit of any facility described within any Other Master Indenture, whether parity thereunder or subordinate thereto; and thereafter such funds, evidences of Debt and investments so deposited shall not be included in any computation of the assets of the Company, and the income from any such deposits shall not be included in the calculation of Pledged Revenues.

"***Defeasance Obligations***" means any obligations authorized under New York law and the related financing documents to be deposited in escrow for the defeasance of any Debt.

"***Event of Default***" is defined in Section 601 of this Master Indenture.

"***Financial Products Agreement***" means any type of financial management instrument or contract, which shall include, but not be limited to, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or a series of

payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors or caps, options, puts or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk forward supply agreements; and (v) any other type of contract or arrangement that the Governing Body of the Company determines is to be used, or is intended to be used, to manage or reduce the cost of debt (including but not limited to a bond insurance policy), to convert any element of debt from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

"***Fiscal Year***" means any twelve-month period beginning on July 1 of any calendar year and ending on June 30 of the following year or such other twelve-month period selected by the Company as the fiscal year for the Company.

"***Governing Body***" means the board of directors of the Company or any duly authorized committee of the board of directors of the Company.

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

"***Interest Payment Date***" means the Stated Maturity of an installment of interest on any Note.

"***Lease***" or "***Leases***' means, individually or collectively, as the context shall require, the Leases of the Participating Campuses identified in the Supplemental Master Indenture and any lease agreement now or hereinafter approved by the Company and Brilla pursuant to which Brilla leases or subleases any Participating Campuses from the Company, as the same may be amended or supplemented, including in connection with the issuance of additional Debt, provided that, the Lease shall never include the properties or payments within any Other Lease.

"***Lease Revenues***" means, for any period of time for which calculated, the total of all moneys received by the Company from Brilla pursuant to each Lease during such period.

"***Leasehold Mortgage***" each Leasehold Mortgage, mortgage, security agreement, assignment of rents and leases and fixture filing or similar agreement executed by the Company encumbering the Participating Campuses in favor of the Master Trustee, as beneficiary, and/or any security instrument executed in substitution therefore or in addition thereto, as such substitute or additional security instrument may be amended, supplemented or restated from time to time.

"***Limited Jurisdiction***" means the jurisdictional boundaries of the Archdiocese of New York, New York.

"***Master Indenture***" means this Master Trust Indenture and Security Agreement, as amended and supplemented from time to time in accordance with its terms.

"***Master Trustee***" means The Bank of New York Mellon, an New York state banking corporation, serving as trustee pursuant to this Master Indenture, and its successors and assigns.

"***Maturity***," when used with respect to any Debt (or any Note), means the date on which the principal of such Debt (or Note) becomes due and payable as therein or herein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption or otherwise.

"***Maximum Annual Debt Service***" means, as of any date of calculation, the highest Annual Debt Service Requirements with respect to all Outstanding Debt for the applicable or any succeeding Fiscal Year.

"***Note***" means any Senior Note or Subordinate Note of the Company issued pursuant to Section 201 of this Master Indenture and executed, authenticated, and delivered pursuant to Section 203 hereof.

"***Note Holder***" means a Person in whose name a Note is registered in the Note Register; or in the case of additional Debt in the process of issuance, the underwriter or bank who has executed the related purchase contract.

"***Note Register***" and "***Note Registrar***" have the respective meanings specified in Section 205 hereof.

"***Officer's Certificate***" means a certificate of the Company signed by an Authorized Representative or any other Person designated by any of such Persons to execute an Officer's Certificate as evidenced by a certificate of the Company delivered to the Master Trustee.

"***Opinion of Counsel***" means a written opinion of counsel selected by the Company, who may (except as otherwise expressly provided) be counsel to any party to any transaction involving the issuance of Notes pursuant to Section 201 hereof.

*"**Other Lease**"* means any lease agreement now or hereafter entered into by the Company related to financed facilities in any jurisdiction other than the Limited Jurisdiction pursuant to any Other Master Indenture.

*"**Other Master Indenture**"* means any Master Indenture and Security Agreement now or hereafter enacted into by the Company and identified in any Supplemental Master Indenture related to financing facilities in any jurisdiction other than the Limited Jurisdiction.

"***Outstanding***," when used with respect to the Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Master Indenture, except:

(i) Notes theretofore cancelled by the Master Trustee or the Paying Agent;

(ii) Notes for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 902 of this Master Indenture) in the necessary amount has been theretofore deposited with the Master Trustee or any Paying Agent for such Notes in trust for such Note Holders pursuant to this Master Indenture or any Supplemental Master Indenture authorizing such Notes; provided, that if such Notes are to be redeemed, notice of such redemption has been duly given pursuant to this Master Indenture or irrevocable provision therefor satisfactory to the Master Trustee has been made; and

(iii) Notes upon transfer of or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Master Indenture or any Supplemental Master Indenture authorizing such Notes; provided, however, that in determining whether the holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Company shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Master Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Master Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any other obligor upon the Notes or any other Person obligated thereon. If there is any conflict between the aforementioned provisions of this subsection (iii) and Section 103 of this Master Indenture, Section 103 shall control.

"***Participating Campus(es)***" refers to the Brilla campuses within the Limited Jurisdiction that are (i) acquired, leased, constructed, improved, renovated, equipped or refinanced with the proceeds of any Related Bonds, (ii) identified in and made part of the Trust Estate in any Supplemental Master Indenture, and (iii) operated under separate charters.

"***Paying Agent***" means any Person authorized by the Company in any Related Bond Document to pay the principal of (and premium, if any) or interest on any series of Notes.

"***Person***" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"***Place of Payment***" for any series of Notes means a city or any political subdivision thereof designated as such in the Notes of such series.

"***Pledged Revenues***" means, for any period of calculation, the total of all Lease Revenues of the Company directly attributable to the Participating Campuses, including accounts receivable and rights to receive same plus investment and other income or loss of the Company in

any fund or account created under this Master Indenture or Related Bond Documents for such period; provided, however, that no determination thereof shall take into account (a) any other income or revenues received by the Company from the operation of any other facility located in any other diocese or archdiocese under any Other Lease, (b) revenues from any management agreement between the Company and Brilla, (c) income from any or all of the Romero Academy network, the El Camino Programs, Seton Teaching Fellows or the Brillante Academy Network, (d) income derived from Defeasance Obligations that are irrevocably deposited in escrow to pay the principal of or interest on Debt or Related Bonds, (e) any gains or losses resulting from the early extinguishment of Debt or the reappraisal, reevaluation or write-up of assets, (f) gifts, grants, bequests or donations and income thereon that is not expressly dedicated for the benefit of the Participating Campuses or Brilla by the donor or grantor or is dedicated for a purpose inconsistent with paying principal and interest on the Notes, and (h) net unrealized gain (losses) on investments and Financial Products Agreements.

"***Principal Payment Date***" means the Stated Maturity of any installment of principal on any Note.

"***Qualified Provider***" means any financial institution or insurance company that is a party to a Financial Products Agreement if the unsecured long-term debt obligations of such financial institution or insurance company (or of the parent or a subsidiary of such financial institution or insurance company if such parent or subsidiary guarantees the performance of such financial institution or insurance company under such Financial Products Agreement), or obligations secured or supported by a letter of credit, contract, guarantee, agreement, insurance policy or surety bond issued by such financial institution or insurance company (or such guarantor parent or subsidiary), are rated in one of the two highest rating categories of a Rating Service at the time of the execution and delivery of the Financial Products Agreement.

"***Rating Service***" means each nationally recognized securities rating service which at the time has a credit rating assigned to any series of Notes or Related Bonds (or any other indebtedness secured by Notes) at the request of the Company.

"***Record Date***" means the regular record date specified for each series of Notes.

"***Related Bond Documents***" means the Related Bonds, the Related Bond Indenture, the Related Loan Documents, and the Related Leasehold Mortgage.

"***Related Bond Indenture***" means any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued.

"***Related Bonds***" means bonds, promissory notes, or other obligations with respect to which any Notes are issued and any other revenue bonds or similar obligations issued by any state of the United States, any municipal corporation, any non-municipal corporation, or other political subdivision formed under the laws thereof or any constituted authority, agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, the proceeds of which are loaned or otherwise made available to the Company in consideration, whether in whole or in part, of the execution, authentication and delivery of a Note or Notes to such governmental issuer.

"***Related Bonds Outstanding***" means all Related Bonds which have been duly authenticated and delivered by a Related Bond Trustee under a Related Bond Indenture that remain Outstanding thereunder and under the laws of the State.

"***Related Bond Trustee***" means any trustee or lender, if applicable, under any Related Bond Indenture, and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, the Related Issuer.

"***Related Issuer***" means any issuer of a series of Related Bonds.

"***Related Leasehold Mortgage***" means any Leasehold Mortgage or other mortgage instrument delivered by the Company to the Master Trustee in connection with Related Bonds or any Debt.

"***Related Lender"*** means any lender to the Company of Debt, other than a Related Issuer, with respect to which any Notes are issued and which are secured by such Notes.

"***Related Loan"*** means a loan made by a Related Lender to the Company pursuant to a Related Loan Document that is secured by a Note or a series of Notes issued hereunder.

"***Related Loan Documents***" means any loan agreement, credit agreement or other document pursuant to which a Related Issuer loans the proceeds of a series of Related Bonds to the Company.

"***Responsible Officer***," when used with respect to the Master Trustee, means the officer in the Corporate Trust Office of the Master Trustee having direct responsibility for administration of this Master Indenture.

"***Revenue Fund***" has the meaning specified in Section 405 hereof.

*"**Senior Debt**"* means and principal of, premium, if any, and interest on any Debt authorized under Section 212(a) issued by the Company or issued to refund or refinance any Senior Debt and evidenced by Senior Notes issued pursuant to the provisions of this Master Indenture.

*"**Senior Notes**"* means the Series 2021 Notes and any series of Notes now or hereafter issued pursuant to Section 201 (excluding any Subordinate Note) hereof and designated as Senior Notes pursuant to any Supplemental Master Indenture authorizing their issuance.

"***Series 2021 Notes***" means any of the Notes issued pursuant to a Supplemental Master Indenture and secured by this Master Indenture to evidence payment obligations of the Company with respect to Build NYC Resource Corporation (Seton Education Partners—Brilla Project), Series 2021.

"***State***" means the State of New York unless otherwise noted.

"***Stated Maturity***," when used with respect to any Debt or any Note or any installment of interest thereon, means the date specified in such Debt or Note as the fixed date on which the principal of such Debt or Note or such installment of interest is due and payable.

*"**Subordinate Debt**"* means and principal of, premium, if any, and interest on any Debt authorized under Section 212(c) issued by the Company or issued to refund or refinance any Subordinate Debt and evidenced by Subordinate Notes issued pursuant to the provisions of this Master Indenture.

"Subordinate Lender" for so long as the Series 2021 notes remain outstanding, means an owner of Subordinate Debt.

*"**Subordinate Note(s)**"* means any Notes issued pursuant to Section 201 (excluding any Senior Note) hereof and designated as Subordinate Notes pursuant to any Supplemental Master Indenture authorizing their issuance.

"***Supplemental Master Indenture***" means an indenture amending or supplementing this Master Indenture entered into pursuant to Article VIII hereof.

"***Supplement to the Leasehold Mortgage***" means any supplement or amendment to the Leasehold Mortgage.

"***Trust Estate***" means the property described as the Trust Estate in the Granting Clauses of this Master Indenture or any Supplemental Master Indenture that is subject to the lien and security interest of this Master Indenture.

"***UCC***" means the Uniform Commercial Code as in effect in the State.

Section 102. Form of Documents Delivered to Master Trustee

. Every certificate and every Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Master Indenture shall include a statement that the Person making such certification or opinion has read such covenant or condition and the definitions relating thereto, has made or caused to be made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether such covenant or condition has been complied with, and a statement whether such condition or covenant has been complied with. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such Person's certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Indenture, they may, but need not, be consolidated and form one instrument.

Section 103. Acts of Note Holders

.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Master Indenture to be given or taken by Note Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Note Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee or Paying Agent, and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Note Holders signing such instrument or instruments. Proof of execution of any such instrument, or of a writing appointing any such agent, shall be sufficient for any purpose of this Master Indenture and (subject to Section 701) conclusive in favor of the Master Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Master Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by any Note Holder shall bind every holder of any Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Master Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Note.

(e) The ownership of Related Bonds may be proved by the registration books for such Related Bonds maintained pursuant to the Related Bond Indenture.

(f) In determining whether the holders of the requisite aggregate principal amount of Notes have concurred in any demand, direction, request, notice, consent, waiver or other action under this Master Indenture, or for any other purpose of this Master Indenture, Notes or Related Bonds that are owned by the Company shall be disregarded and deemed not to be Outstanding or outstanding under the Related Bond Indenture, as the case may be, for the purpose of any such determination, provided that for the purposes of determining whether the Master Trustee shall be

protected in relying on any such direction, consent or waiver, only such Notes or Related Bonds which the Master Trustee has actual notice or knowledge are so owned shall be so disregarded and deemed not to be Outstanding Notes or Related Bonds. Outstanding Notes or Related Bonds so owned that have been pledged in good faith may be regarded as Outstanding or outstanding under the Related Bond Indenture, as the case may be, for purposes of this Section, if the pledgee shall establish to the satisfaction of the Master Trustee the pledgee's right to vote such Notes or Related Bonds. In case of a dispute as to such right, any decision by the Master Trustee taken upon the advice of counsel shall be full protection to the Master Trustee. In the event that a Note secures the obligation of a Person under an agreement or instrument that provides for the making of advances to or on behalf of such Person, such Note shall only be counted to be Outstanding in a principal amount equal to the amount so advanced or otherwise due and owing under the terms of such agreement (and only if such amount remains outstanding or unpaid) to or on behalf of such Person. In the event that a Note secures a Financial Products Agreement, such Note shall only be deemed to be Outstanding in a principal amount equal to any amount with which the Company is in default with respect to the payment thereof. In no event, however, shall the amount owed to a Note Holder be counted twice because there are the same amounts due and owing under two Notes relating to the same obligations (e.g., the principal amount reimbursable to the provider of a liquidity facility as the holder of bonds purchased by such liquidity provider as well as the principal amount of such purchased bonds by such liquidity provider as holder of the purchased bonds).

(g) At any time prior to (but not after) the time the Master Trustee takes action in reliance upon evidence, as provided in this Section 103, of the taking of any action by the holders of the percentage in aggregate principal amount of Notes specified herein in connection with such action, any holder of such Note or Related Bond that is shown by such evidence to be included in Notes the holders of which have consented to such action may, by filing written notice with the Master Trustee and upon proof of holding as provided in this Section 103, revoke such action so far as it concerns such Note or Related Bond. Except upon such revocation or such action taken by the holder of a Note or Related Bond in any direction, demand, request, waiver, consent, vote or other action of the holder of such Note or Related Bond which by any provision hereof is required or permitted to be given shall be conclusive and binding upon such Note Holder and upon all future Note Holders and owners of such Note or Related Bond, and of any Note or Related Bond issued in lieu thereof, whether or not any notation in regard thereto is made upon such Note or Related Bond. Any action taken by the holders of the percentage in aggregate principal amount of Notes specified herein in connection with such action shall be conclusively binding upon the Company, the Master Trustee and the holders of all of such Notes or Related Bonds.

Section 104. Notices, etc.

, to Master Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Note Holders or other document provided or permitted by this Master Indenture to be made upon, given or furnished to, or filed with:

(1) the Master Trustee by any Note Holder or by any specified Person shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with and actually received by a Responsible Officer of the Master Trustee at Trustee at its Corporate Trust Office located at 240 Greenwich Street, New York, New York 10286,

Attention: Corporate Trust, or at any other address subsequently furnished in writing to the Company and the Note Holders by the Master Trustee;

(2) the Company by any Note Holder or by any Person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Company at Seton Education Partners, 413 East 144th Street, Bronx, New York 10454, Attention: Chief Financial and Operating Officer, or at any other address subsequently furnished in writing to the Master Trustee by the Company.

Section 105. Notices to Note Holders; Waiver

. Where this Master Indenture provides for notice to Note Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Note Holder affected by such event, at his address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the first giving of such notice. In any case where notice to Note Holders is given by mail, neither the failure to mail such notice, nor any default in any notice so mailed to any particular Note Holder shall affect the sufficiency of such notice with respect to other Note Holders. Where this Master Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Note Holders shall be filed with the Master Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 106. Successors and Assigns

. All covenants and agreements in this Master Indenture by the Company and the Master Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 107. Severability Clause

. If any provision of this Master Indenture shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reasons, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy.

Section 108. Benefits of Master Indenture

. Nothing in this Master Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto, and their successors hereunder and the Note Holders, any benefit or any legal or equitable right, remedy or claim under this Master Indenture.

Section 109. Governing Law

. This Master Indenture shall be governed in all respects, including validity, interpretation and effect by, and shall be enforceable in accordance with, the law of the State.

Section 110. Effect of Headings and Table of Contents

. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

ARTICLE II
ISSUANCE AND FORM OF NOTES

Section 201. Series, Amount and Denomination of Notes

.

(a) At any time and from time to time after the execution and delivery of this Master Indenture, Notes shall be issued under this Master Indenture in series issued pursuant to a Supplemental Master Indenture. Each series shall be designated to differentiate the Notes of such series from the Notes of any other series. Notes shall be issued as fully registered notes with the Notes of each series to be lettered and numbered as may be designated in the Supplemental Master Indenture authorizing any series. The aggregate principal amount of Notes of each series that may be created under this Master Indenture is not limited, except by the additional Debt limitations provided in this Master Indenture. A series of Notes may consist of a single Note or more than one Note.

(b) Each Supplemental Master Indenture authorizing the issuance of a Note or series of Notes shall set forth the purpose for which the Debt evidenced thereby is being incurred, the principal amount, maturity date or dates, interest rate or rates and the other pertinent terms of the Note or series of Notes and the name of the Company.

(c) Notes may be issued hereunder to evidence (i) any type of Debt, including without limitation any Debt in a form other than a promissory note (such as commercial paper, bonds, or similar debt instruments), (ii) any obligation to make payments pursuant to a Financial Products Agreement, (iii) any obligations to make payments pursuant to a Contingent Obligation (as such term is used in Section (e) of the definition of Annual Debt Service Requirements), or (iv) debt consisting of an obligation to reimburse payments made under a letter of credit, surety bond, bond insurance policy, standby bond purchase agreement or similar credit or liquidity support obtained to secure payment of other Debt. The Supplemental Master Indenture pursuant to which any Notes are issued may provide for such supplements or amendments to the provisions hereof, including without limitation Article II hereof, as are necessary to permit the issuance of such Notes hereunder.

(d) Any Note evidencing obligations under a Financial Products Agreement shall be equally and ratably secured hereunder with all other Notes issued hereunder, except as otherwise expressly provided herein; provided, however, that (i) to be secured hereunder, the Master Trustee must receive, at the time of execution and delivery of such Financial Products Agreement, an

Officer's Certificate stating that such Financial Products Agreement was entered into by the Company with a Qualified Provider, as provided hereunder, and is entitled to the benefits of this Master Indenture and (ii) such Note, with respect to such Financial Products Agreement, shall be deemed to be Outstanding hereunder solely for the purpose of receiving payment hereunder and the Qualified Provider shall not be entitled to exercise any rights of a Note Holder hereunder unless amounts payable by the Company are due and unpaid.

(e) Any Subordinate Note shall be expressly subordinated to all Senior Notes pursuant to the provisions set forth in Sections 212(c) and 410 of this Master Indenture.

Section 202. Conditions to Issuance of Notes

. Any Note or series of Notes shall be authenticated by the Master Trustee and delivered to the lender or purchaser only upon its receipt of the following:

(a) An Officer's Certificate stating (1) that no Event of Default has occurred or is continuing or will result from the issuance of such Note or series of Notes and (2) that the Supplemental Master Indenture relating thereto authorizes such Debt and that such Supplemental Master Indenture complies with the provisions of Article VIII hereof; and

(b) An original executed counterpart of a Supplemental Master Indenture providing for the issuance of such Note or series of Notes; and

(c) An Opinion of Counsel to the effect that (1) the conditions to issuance of any particular Note or series of Notes set forth in this Section 202 and in Section 212 (except, with respect to Section 212, in connection with the Series 2021 Notes) of this Master Indenture have been satisfied, (2) upon the execution of such Note or series of Notes by the Company and the authentication thereof by the Master Trustee, such Note or series of Notes will be the valid and binding obligations of the Company enforceable in accordance with its (their) terms, subject to the customary bankruptcy, insolvency and equitable principles exceptions and such other exceptions as may be acceptable to the initial payee thereof, (3) registration of such Note or series of Notes under the Securities Act of 1933, as amended, is not required, or, if such registration is required, that the Company has complied with all applicable provisions of said Act, and (4) qualification of this Master Indenture and any Supplemental Master Trust Indenture providing for the issuance of such Note or series of Notes under the Trust Indenture Act of 1939, is not required, or if such qualification is required, that the Company has complied with all applicable provisions of such Act.

(d) The title insurance policy, or endorsement thereof, required by Section 212, if necessary and if permitted by the laws of the State.

(e) The Insurance Certificate as set forth and required in Section 213(c) hereof.

(f) If in connection with the issuance of additional Debt, any other certificate, report or other item required under Section 212.

(g) The fully executed Lease or any fully executed amendment or supplement thereto necessary to evidence either or both the additional Participating Campus subject to the Lease or the payment obligations of Brilla associated with such Note or series of Notes.

Section 203. Execution, Authentication and Delivery

.

(a) Notes shall be executed by the Company through the chairman of its Governing Body or its president or any officer authorized by the Governing Body and may be attested to by the secretary or an assistant secretary of the Company, as appropriate or necessary, and Notes may have the corporate seal impressed or reproduced thereon. The signature of any officer on the Notes may be manual or facsimile.

(b) Notes bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

(c) At any time, and from time to time, after the execution and delivery of this Master Indenture, the Company may deliver executed Notes to the Master Trustee together with the Supplemental Master Indenture creating such series; and upon the receipt of the Supplemental Master Indenture, the Master Trustee shall authenticate and deliver such Notes as provided in this Master Indenture and the relevant Supplemental Master Indenture.

(d) No Note shall be entitled to any benefit under this Master Indenture or be valid or obligatory for any purpose, unless there appears on or attached to such Note a certificate of authentication substantially in the form set forth below executed by the Master Trustee by its manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder. The form of certificate of authentication shall be as follows:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the Master Indenture.

Date of Authentication:

_____

THE BANK OF NEW YORK MELLON, as Master Trustee, or its agent

By:_____
Authorized Signature

Section 204. Form and Terms of Notes

. The Notes of each series of Notes shall contain such terms, and be in substantially the form set forth in the Supplemental Master Indenture creating such series, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Master Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any regulatory body, or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their signing of the Notes. The Notes of any series or the relevant Supplemental Master Indenture may contain additional (or different) representations, warranties, covenants, defaults and remedies and other provisions which do not contradict the terms of this Master Indenture, to the extent provided in the related Supplemental Master Indenture, and such additional terms shall supplement and be in addition to the terms of this Master Indenture. Unless the Notes of a series have been registered under the Securities Act of 1933, each Note of such series shall be endorsed with a legend which shall read substantially as follows: "This Note has not been registered under the Securities Act of 1933."

Section 205. Registration, Transfer and Exchange

.

(a) The Company shall cause to be kept at the Corporate Trust Office of the Master Trustee in New York, New York, a register (sometimes herein referred to as the "***Note Register***") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. The Master Trustee is hereby appointed Note Registrar (the "***Note Registrar***") for the purpose of registering Notes and transfers of Notes as herein provided. The Master Trustee may delegate any of its duties hereunder pursuant to the terms of a Supplemental Master Indenture. In such case, the Note Register may consist of one or more records of ownership of the various series of Notes and any part of such register may be maintained by the agent of the Master Trustee relating to such series.

(b) Upon surrender for transfer of any Note at the office or agency of the Company in a Place of Payment, the Company shall execute, and the Master Trustee or its designated agent shall authenticate and deliver, in the name of the designated transferee, one or more new Notes of any Authorized Denominations, of a like aggregate principal amount, series, Stated Maturity and interest rate.

(c) At the option of the Note Holder, Notes may be exchanged for Notes of any Authorized Denomination, of a like aggregate principal amount, series, Stated Maturity and

interest rate, upon the surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Master Trustee or its designated agent shall authenticate and deliver the Notes which the Note Holder making the exchange is entitled to receive.

(d) All Notes issued upon any transfer or exchange of Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Master Indenture as the Notes surrendered upon such transfer or exchange.

(e) Every Note presented or surrendered for transfer or exchange shall (if so required by the Company or the Master Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Master Trustee or its designated agent duly executed by the holder thereof or his attorney duly authorized in writing.

(f) No charge shall be made for any transfer or exchange of Notes, and any transfer or exchange of Notes shall be made without expense or without charge to Note Holders; however, the Master Trustee or its designated agent under any Supplemental Master Indenture may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation to such transfer or exchange.

Section 206. Mutilated, Destroyed, Lost and Stolen Notes

.

(a) If (i) any mutilated Note is surrendered to the Master Trustee or the Paying Agent, and the Master Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Master Trustee such security or indemnity as may be required by the Master Trustee to save each of the Master Trustee and the Company harmless, then, in the absence of notice to the Company or the Master Trustee that such Note has been acquired by a bona fide purchaser, the Company shall execute and, upon its request, the Master Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

(b) In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Company may, in its discretion, instead of issuing a new Note, pay such Note.

(c) Upon the issuance of any new Note under this Section, the Master Trustee or its designated agent under any Supplemental Master Indenture may require the payment by the Company of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Master Trustee) connected therewith.

(d) Every new Note issued pursuant to this Section in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be

entitled to all the benefits and security of this Master Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(e) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 207. Method of Payment of Notes

.

(a) The principal of, premium, if any, and interest on the Notes shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, premium, if any, and interest shall be payable at the principal payment office of the Master Trustee in New York, New York, or at the office of any alternate Paying Agent or agents named in any such Notes. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Note is issued or the election referred to in the next sentence is made, payment of the principal of, premium, if any, and interest on the Notes and payment of any redemption or prepayment price on any Note pursuant to Section 303 hereof shall be made to the Person appearing on the Note Register as the Note Holder and shall be paid by check or draft mailed to the Note Holder at his address as it appears on such registration books or at such other address as is furnished to the Master Trustee in writing by the Note Holder; provided, however, that any Supplemental Master Indenture creating any Note may provide that the principal of, premium, if any, and interest on such Note may be paid, upon the request of the Note Holder, by wire transfer. Anything to the contrary in this Master Indenture notwithstanding, if an Event of Default has not occurred and is not continuing hereunder and the Company so elects or is required, payments on a Note shall be made directly by the Company, by check or draft hand delivered to the Note Holder or its designee or shall be made by the Company by wire transfer to the Note Holder, in either case delivered on or prior to the date on which such payment is due. The Company shall give written notice to the Master Trustee (on which the Master Trustee may conclusively rely) of any such payment to the Master Trustee concurrently with the making thereof, specifying the amount paid and identifying the Note or Notes with respect to which such payment was made by series designation, number and the Note Holder. Except with respect to Notes directly paid, the Company agrees to deposit with the Master Trustee on or prior to each due date, as specified in the Related Bond Documents, a sum sufficient to pay the principal of, premium, if any, and interest on any of the Notes due on or before such due date. Such moneys shall be held in trust exclusively for the holder of the Note for which such payment is intended to be made. Any such moneys shall, upon direction of the Company set forth in an Officer's Certificate, be invested as set forth therein. The foregoing notwithstanding, amounts deposited with the Master Trustee to provide for the payment of Notes pledged to the payment of Related Bonds shall be invested in accordance with the provisions of the Related Bond Indenture and Related Loan Documents. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments, and shall not be responsible for determining whether any such investment is permitted hereunder or in accordance with any such Related Bond Indenture or Related Loan Document.

(b) Subject to the foregoing provisions of this Section 207, each Note delivered under this Master Indenture upon transfer of or in exchange for or in lieu of any other Note shall carry the rights to principal of, premium, if any, and interest accrued and unpaid, and to accrue, which were carried by such Note.

Section 208. Persons Deemed Owners

. The Company, the Master Trustee and any agent thereof shall treat the Person in whose name any Note is registered as the owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest on such Note and for all other purposes whatsoever whether or not such payment is past due, and neither the Company, the Master Trustee, nor any agent of the Company or the Master Trustee shall be affected by notice to the contrary.

Section 209. Cancellation

. All Notes surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Master Trustee, be delivered to the Master Trustee and, if not already cancelled or required to be otherwise delivered by the terms of the Supplemental Master Indenture authorizing the series of Notes of which such Note is a part, shall be promptly cancelled by the Master Trustee. The Company may at any time deliver to the Master Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Master Trustee. No Notes shall be authenticated in lieu of or in exchange for any Notes cancelled as provided in this Section, except as expressly permitted by this Master Indenture. All cancelled Notes held by the Master Trustee shall be disposed of according to the retention policies of the Master Trustee.

Section 210. Security for Notes

.

(a) All Senior Notes issued and Outstanding under this Master Indenture are equally and ratably secured by the pledge and assignment of a security interest in the Trust Estate pursuant to the Granting Clauses of this Master Indenture. Any one or more series of Senior Notes issued hereunder may be secured by additional and separate security (including without limitation letters or lines of credit, property or security interests in debt service reserve funds or debt service, purchase, construction or similar funds or guarantees of payment by third parties). Such security need not extend to any other Senior Debt (including any other Notes or series of Notes) unless so specified and may contain provisions not inconsistent with this Master Indenture which provide for separate realization upon such security. Except as otherwise expressly provided herein or in any Supplemental Master Indenture pursuant to which such Senior Note is issued, all Senior Notes issued hereunder shall be equally and ratably secured by any lien created pursuant to or constituting a part of the Trust Estate under this Master Indenture.

(b) All Subordinate Notes issued and Outstanding under this Master Indenture are equally and ratably secured by a parity pledge and assignment of a security interest in the Trust Estate pursuant to the Granting Clauses of this Master Indenture subordinate only to any Senior Debt. Any one or more series of Subordinate Notes issued hereunder may be secured by additional

and separate security (including without limitation letters or lines of credit, property or security interests in debt service reserve funds or debt service, purchase, construction or similar funds or guarantees of payment by third parties). Such security need not extend to any other Subordinate Debt (including any other Notes or series of Notes) unless so specified and may contain provisions not inconsistent with this Master Indenture which provide for separate realization upon such security. Except as otherwise expressly provided herein or in any Supplemental Master Indenture pursuant to which such Subordinate Note is issued, all Subordinate Notes issued hereunder shall be equally and ratably secured by any subordinate lien created pursuant to or constituting a part of the Trust Estate under this Master Indenture.

(c) To the extent that any Debt which is permitted to be issued pursuant to this Master Indenture is not issued directly in the form of a Note, a Note may be issued hereunder and pledged as security for the payment of such Debt in lieu of directly issuing such Debt as a Note hereunder.

Section 211. Mortgage, Pledge and Assignment; Further Assurances

.

(a) Subject only to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and in order to secure the payment of the Notes and the performance of the duties and obligations of the Company under the Notes and this Master Indenture, the Company has pledged and assigned unto the Master Trustee and its successors and assigns forever, and granted a security interest thereunto in, among other things, all of the Pledged Revenues and any other amounts (including proceeds of the sale of Bonds) held in the Revenue Fund to secure the payment of the principal of and interest on the Notes in accordance with their terms and the provisions of this Master Indenture and the Leasehold Mortgage. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery of the Notes, without any physical delivery thereof or further act.

Upon the occurrence and continuance of an Event of Default, the Master Trustee shall be entitled to, subject to its rights to be indemnified pursuant to Article VII, collect and receive Pledged Revenues. The Master Trustee also shall be entitled to and shall (1) enforce the terms, covenants and conditions of, and preserve and protect the priority of its interest in and under this Master Indenture and any Leasehold Mortgage and (2) monitor compliance with all covenants, agreements and conditions of the Company contained in this Master Indenture with respect to the Pledged Revenues; provided that, without limiting the generality of any of the provisions of this Master Indenture or the Leasehold Mortgage, the Master Trustee need not foreclose any Leasehold Mortgage (or accept a deed in lieu of foreclosure or otherwise exercise remedies with respect to the Mortgaged Property, as such term is defined in such Leasehold Mortgage) if the effect of any such foreclosure (or acceptance of a deed in lieu of foreclosure, or other exercise of remedies with respect to the Mortgaged Property) would be to cause the Master Trustee to: (i) incur financial liability for any environmental contamination at or from the Mortgaged Property, (ii) risk its own funds for the remediation of any such existing environmental contamination or (iii) require any approval of a governmental regulator.

(b) The Company shall, at its own expense, take all necessary action to maintain and preserve lien upon and the security interest in the property granted by this Master Indenture and any Leasehold Mortgage so long as any Notes are Outstanding. In addition, the Company shall, immediately after the execution and delivery of this Master Indenture and thereafter from time to time, cause any such Leasehold Mortgage and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to fully perfect and protect such security interest and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed and timely filed as provided herein any and all continuation statements as required for such perfection and protection. Copies of all filings and recordings hereunder shall be promptly filed with the Master Trustee. Except to the extent it is exempt therefrom, the Company shall pay or cause to be paid all filing, registration and recording fees and all expenses incident to the preparation, execution and acknowledgment of such instruments of perfection, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Leasehold Mortgage and such instruments of perfection. The Master Trustee shall not be responsible for the sufficiency of or the recording of this instrument, any supplemental indenture, any mortgage, Leasehold Mortgage, other security or other instruments of further assurance.

The Master Trustee shall confirm the filing of continuation statements by the Company required to maintain the perfection and priority of the security interests granted hereby and by the Related Bond Documents and, if necessary, make such filings as may be required to maintain the perfection and priority of the security interests granted hereby and by the Bond Documents.

(c) The Company has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the collateral granted hereunder that ranks on a parity with or prior to the lien granted hereunder that will remain outstanding on the Closing Date. The Company has not described the collateral described hereunder in a UCC financing statement that will remain effective on the Closing Date, except as expressly permitted by the Related Bond Documents. The security interest granted hereunder is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Company on a simple contract.

Section 212. Additional Debt

.

(a) Upon satisfaction of the applicable requirements of Section 202 and any additional requirements set forth in Related Bond Documents, the Company reserves the right to issue and incur one or more series of Senior Debt or Subordinate Debt secured by and payable from the Pledged Revenues of the Company that may be delivered pursuant to this Master Indenture if the following conditions are met:

(1) Additional Senior Debt and Additional Subordinate Debt Coverage. Sufficient funds must be evidenced as follows:

(A) Historical Coverage on Outstanding Debt. Delivery of an Officer's Certificate stating that, for either the Company's most recently completed Fiscal Year or for any consecutive 12 months out of the most recent 18 months immediately preceding the issuance of the additional Senior Debt or Subordinate Debt, the Pledged Revenues equal at least 1.10 times the Annual Debt Service on all Senior Debt and Subordinate Debt then Outstanding prior the issuance of the additional Senior Debt or Subordinate Debt; and

(B) Coverage for Additional Senior Debt. Delivery of new or amended Leases reflecting an increase in the aggregate Pledged Revenues payable by Brilla thereunder in each Fiscal Year to an amount equal to at least 1.20 times the projected Annual Debt Service, including the Senior Debt or Subordinate Debt to be incurred. Such calculation shall take into account the Lease Revenues for the Fiscal Year immediately following the completion of the new or improved Participating Campuses, and shall assume that the proposed additional Senior Debt or Subordinate shall have been outstanding for the entire year.

(2) Alternate Coverage for Additional Senior Debt or Additional Subordinate Debt. In lieu of the requirements described in Section 212(a)(1) above, the Company may deliver an Officer's Certificate stating that, based on the audited results of the operations for the most recently completed Fiscal Year, the Pledged Revenues equal at least 1.10 times Maximum Annual Debt Service on all Senior Debt and Subordinate Debt then Outstanding as well as the additional Senior Debt or Subordinate Debt; and

(3) Title Insurance. So long as any Debt is secured by the lien of the Leasehold Mortgage upon any real property of the Company, the Company shall obtain and provide to the Master Trustee a new title policy or an endorsement of the title, if permitted by the laws of the State, issued in connection with the Debt increasing the coverage thereunder by an amount equal to the aggregate principal amount of the additional Senior Debt or Subordinate which is secured by the Leasehold Mortgage.

The satisfaction of the conditions set forth in paragraphs (1) through (3) above shall be evidenced to the Master Trustee. The Master Trustee may rely, and (subject to Section 701) shall be fully protected in relying upon, a closing certificate executed by an Authorized Representative evidencing that items (1) through (3) were satisfied or completed.

(b) Refunding. If additional Debt is being issued for the purpose of refunding any Outstanding Debt, the reports or certificates required to be delivered under Section 212(a)(1) or (a)(2) shall not be required so long as both the total and Maximum Annual Debt Service Requirements on all Outstanding Debt after issuance of the additional Senior Debt or Subordinate Debt will not exceed both the total and the Maximum Annual Debt Service Requirements on all Outstanding Debt prior to the issuance of such additional Debt.

(c) Subordinate Debt.

(1) The Company reserves the right to incur Subordinate Debt that is secured by a subordinate lien on all or a portion of the collateral within the Trust Estate. Subject

to the Flow of Funds set forth in Section 405, the Company may make regularly scheduled payments of principal and interest on Subordinate Debt, so long as no Event of Default exists or is continuing under this Master Indenture for Senior Debt or Subordinate Debt.

(2) Any and all payments and related obligations under the loan documents evidencing and issuing the Subordinate Debt (the "Subordinate Loan Documents") whether now existing or hereafter arising (including all principal, interest, fees, costs, expenses and post-petition amounts, whether or not allowed) shall be subordinate to the payment of the Senior Debt under this Master Indenture.

(3) Upon, and during the continuation of any Event of Default under this Master Indenture, no Subordinate Lender shall be permitted to receive any payments on any Subordinate Debt.

(4) In any bankruptcy or insolvency proceeding of any kind, the Notes evidencing Senior Debt shall be paid in full prior to the payment of or any distribution to any Subordinate Lender. If any bankruptcy insolvency proceeding is commenced by the Company, any payment or distribution of any of the Company's assets, whether in cash, securities or any other property, which would be payable or deliverable with respect to Subordinate Debt, shall be paid or delivered to the Master Trustee until all Senior Notes hereunder are paid in full.

(5) Any Subordinate Lender shall be subject to a standstill on the enforcement of its rights under the Subordinate Loan Documents or under this Master Indenture until all Senior Notes are paid in full.

(6) All Subordinate Debt shall be treated as Debt for the purposes of calculating Annual Debt Service Requirements; provided that, any portion incurred through convertible loans to grants (example: Charter School Growth Fund) shall not be included in Annual Debt Service Requirements unless such amounts become due and payable. In such case, the amounts due and payable in any Fiscal Year shall be included in Annual Debt Service Requirements in accordance with the provisions applicable to such obligations' documents.

(d) Unrelated Debt. The Company reserves the right to incur Debt that is not secured by a lien on either Pledged Revenues or any property included in a Leasehold Mortgage, and such Debt shall not be subject to this Section 212. Such Debt may be secured by a lien on all or any portion of assets financed therewith and revenues therefrom or any other revenues of the Company not included in the Trust Estate.

(e) Other Master Indentures. The Company reserves the right to incur indebtedness under any Other Master Indenture; provided that, such Other Master Indenture must, by its terms, expressly relinquish any right or claim to the Trust Estate and provided further with respect to indebtedness under this Master Indenture.

(f) Initial Debt. The Series 2021 Notes shall not be subject to the provisions of this Section 212.

Section 213. Insurance

.

(a) The Company shall at all times keep and maintain and cause Brilla to keep and maintain its properties and facilities insured against such risks and in such amounts, with such deductible provisions, as are customary in connection with the operation of facilities of the type and size comparable to such facilities and consistent with the requirements of State and the provisions of the Leases and the Related Bond Documents.

ARTICLE III
REDEMPTION OR PREPAYMENT OF NOTES

Section 301. Redemption or Prepayment

. Notes of each series shall be subject to optional and mandatory redemption or prepayment (subject to Section 602) in whole or in part and may be redeemed prior to Stated Maturity only as provided in the Supplemental Master Indenture creating such series. Unless otherwise provided by the Supplemental Master Indenture creating a series of Notes, the provisions of Section 302 through Section 305 of this Master Indenture shall also apply to the redemption of Notes.

Section 302. Election to Redeem or Prepay; Notice to Master Trustee

. The Company shall notify the Master Trustee in writing of the election by the Company to redeem or prepay all or any portion of the Notes of any series, together with the redemption or prepayment date and the principal amount of Notes of each Stated Maturity and series to be redeemed or prepaid, at least forty-five (45) days prior to the redemption or prepayment date fixed by the Company, unless a shorter notice shall be satisfactory to the Master Trustee.

Section 303. Deposit of Redemption or Prepayment Price

. Prior to any redemption or prepayment date, the Company shall deposit with the Master Trustee or its designated agent an amount of money sufficient to pay the redemption or prepayment price of all the Notes which are to be redeemed or prepaid on such date.

Section 304. Notes Payable on Redemption or Prepayment Date

.

(a) Notice of redemption or prepayment having been given as aforesaid, and the monies for redemption or prepayment having been deposited as described in Section 303, the Notes to be redeemed or prepaid shall become due and payable on the redemption or prepayment date at the redemption or prepayment price therein specified, and from and after such date such Notes shall cease to bear interest. Upon surrender of any such Note for redemption or prepayment in accordance with said notice, such Note shall be paid by the Company at the redemption or prepayment price. Installments of interest whose Stated Maturity is on or prior to the redemption date shall be payable to the registered Note Holders on the relevant Record Dates according to their terms.

(b) If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption or prepayment date at the rate borne by the Note.

Section 305. Notes Redeemed or Prepaid in Part

. Any Note which is to be redeemed or prepaid only in part shall be surrendered at a Place of Payment (with, if the Company or the Master Trustee so requires, due endorsement by, or a written instrument of transfer satisfactory in form to, the Company and the Master Trustee, and duly executed by the Note Holder or by his attorney who has been duly authorized in writing) and the Company shall execute and the Master Trustee shall authenticate and deliver without service charge a new Note or Notes of the same series, interest rate and maturity, and of any Authorized Denomination, to the Note Holder as requested by such Note Holder in aggregate principal amount equal to and in exchange for the unredeemed or unpaid portion of the principal of the Note so surrendered.

ARTICLE IV
COVENANTS OF THE COMPANY

Section 401. Payment of Debt Service

. The Company unconditionally and irrevocably covenants that it will promptly pay the principal of, premium, if any, and interest and any other amount due on every Note issued under this Master Indenture at any time at the place, on the dates and in the manner provided in said Notes according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Notes set forth in the Notes, the Company unconditionally and irrevocably covenants and agrees to make payments upon each Note and be liable therefor at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, or purchase price, if any, upon any Notes or Related Bonds from time to time Outstanding.

Section 402. Money for Note Payments to be Held in Trust; Appointment of Paying Agents

.

(a) The Company may appoint a Paying Agent for each series of the Notes.

(b) Each such Paying Agent appointed by the Company shall be (i) a corporation organized and doing business under the laws of the United States of America or of any state, (ii) authorized under such laws to exercise corporate trust powers, (iii) have a combined capital and surplus of at least $50,000,000, and (iv) be subject to supervision or examination by federal or state authority.

(c) Subject to Section 207 hereof, the Company will, on or prior to each due date of the principal of (and premium, if any) or interest or any other amounts on any Notes, deposit with the Master Trustee which shall thereupon deposit such with the Paying Agent, a sum sufficient to pay the principal (and premium, if any) or interest or purchase price so becoming due and any

other amounts due in accordance with the terms of the Notes and this Master Indenture, such sum to be held in trust for the benefit of the Note Holders, and the Company will promptly notify the Master Trustee of its failure so to act.

(d) The Company will cause each Paying Agent other than the Master Trustee to execute and deliver to the Master Trustee an instrument in which such Paying Agent shall agree with the Master Trustee, subject to the provisions of this subsection, that such Paying Agent will

(1) hold all sums held by it for the payment of principal of (and premium, if any) or interest or any other amounts on the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Master Trustee notice of any default by the Company or any other obligor upon the Notes in the making of any such payment of principal (and premium, if any) or interest or any other amounts; and

(3) upon request by the Master Trustee, pay to the Master Trustee all sums so held in trust by such Paying Agent forthwith at any time during the continuance of such default.

(e) For the purpose of obtaining the satisfaction and discharge of this Master Indenture or for any other purpose, the Company may at any time by Order direct any Paying Agent to pay to the Master Trustee all sums held in trust by such Paying Agent, such sums to be held by the Master Trustee upon the same trusts as those upon which such sums were held by such Paying Agent. Upon such payment by any Paying Agent to the Master Trustee, such Paying Agent shall be released from all further liability with respect to such money.

(f) Subject to applicable escheat laws of the State, any money deposited in trust with the Master Trustee or any Paying Agent for the payment of the principal of (and premium, if any) or interest on any Notes and remaining unclaimed for the later of (i) the first anniversary of the Stated Maturity of the Notes or the installment of interest for the payment of which such money is held or (ii) two years after such principal (and premium, if any) or interest has become due and payable shall to the extent permitted by law be paid to the Company on its Request (which Request shall include the Company's representation that it is entitled to such funds under applicable escheatment laws and its agreement to comply with such laws) and the Note Holder shall thereafter, to the extent of any legal right or claim, be deemed to be an unsecured general creditor, and shall look only to the Company for payment thereof, and all liability of the Master Trustee or such Paying Agent with respect to such trust money, and all liability of the Company, shall thereupon cease; provided, however, that the Master Trustee or such Paying Agent, before being required to make any such repayment, shall, at the written direction of the Company, publish notice in an Authorized Newspaper at the expense of the Company that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company; provided further, notwithstanding the foregoing, the Master Trustee shall be entitled to deliver any such funds to any escheatment authority in accordance with the Master Trustee's customary procedures. The Master Trustee shall hold any such funds in trust uninvested (without

liability for interest accrued after the date of deposit or other compensation) for the benefit of Note Holders entitled thereto.

Section 403. Notice of Non-Compliance

. Promptly upon the discovery of any non-compliance with Section 411 or default, the Company will deliver to the Master Trustee a written statement describing each event and status thereof which has not been cured or waived under any Note. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 404. Corporate Existence

. Subject to Section 501 and Section 502, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory), and franchises; provided, however, that the Company shall not be required to preserve any right or franchise if the Governing Body shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Note Holders.

Section 405. Revenue Fund

.

(a) There is hereby created by the Company and established with the Master Trustee the special fund of the Company designated the "Seton Education Partners – Brilla Revenue Fund" (herein referred to as the "***Revenue Fund***"). The Company shall deposit or cause to be deposited into the Revenue Fund (i) promptly upon any lease payment date as set forth in any Lease, Lease Revenues required to be deposited therein pursuant to the terms of any Lease or Related Bond Documents and (ii) if, and only if, an Event of Default under this Master Indenture shall occur, within five (5) business days from the date of receipt, all of its Pledged Revenues (except to the extent otherwise provided by or inconsistent with any permitted instrument creating any mortgage, lien, charge, encumbrance, pledge or other security interest granted, created, assumed, incurred or existing), as well as any insurance and condemnation proceeds, beginning on the first day of such Event of Default and on each day thereafter, until no default under this Master Indenture then exists. The money deposited to the Revenue Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and in Section 606. The Master Trustee is authorized to establish such accounts or subaccounts as the Master Trustee finds necessary or desirable to comply with this Section

(b) Provided no Event of Default has occurred, on the next Business Day immediately following receipt of any Lease Revenues for deposit into the Revenue Fund pursuant to Section 405(a)(i), the Master Trustee shall transfer amounts in the Revenue Fund to the Related Bond Trustee, as specified in a Supplemental Master Indenture, any amounts due and payable with respect to the related Notes pursuant to the Related Bond Indenture and/or the Related Loan Documents, and shall immediately thereafter transfer the balance, if any, to the Company to be expended in its sole and absolute discretion. In the event that the Master Trustee shall at any time

be required to transfer moneys held by it to two or more Related Bond Trustees, the Master Trustee shall transfer the available amount to such recipients on a pro rata basis.

(c) Upon the occurrence of an Event of Default, the Master Trustee shall establish a principal account (the "***Principal Account***") and an interest account (the "***Interest Account***") and such other accounts as the Master Trustee finds necessary or desirable. On the next Business Day immediately following receipt of any payments of Pledged Revenues to the Master Trustee for deposit into the Revenue Fund pursuant to Section 405(a)(ii), the Master Trustee shall withdraw and pay or deposit from the amounts on deposit in the Revenue Fund the following amounts in the order indicated:

(1) to the Master Trustee any fees or expenses (including reasonable fees or expenses of counsel to the Master Trustee) which are then payable;

(2) equally and ratably to the holder of each instrument evidencing a Senior Note on which there has been a default pursuant to Section 601(a), an amount equal to all defaulted principal of (or premium, if any), interest and obligations on such Note;

(3) a transfer to the Interest Account of an amount necessary to accumulate in equal monthly installments the interest on the Senior Notes due and payable on the next Interest Payment Date; provided, however, that to the extent available, each transfer made on the fifth business day before the end of each month immediately preceding each Interest Payment Date shall be in an amount to provide, together with amounts then on deposit in the Interest Account, the balance of the interest due on the Senior Notes on the next succeeding Interest Payment Date. There shall be paid from the Interest Account equally and ratably to the holder of each Senior Note the amount of interest on each Senior Note as such interest becomes due;

(4) a transfer to the Principal Account of the amount necessary to accumulate in equal monthly installments the principal of the Senior Notes maturing or subject to mandatory sinking fund redemption on the next Principal Payment Date taking into account with respect to each such payment (i) any other money actually available in the Principal Account for such purpose and (ii) any credit against amounts due on each Principal Payment Date granted pursuant to other provisions of this Master Indenture; provided, however, that to the extent available, the transfer made on or before the fifth business day before the end of each month immediately preceding such Principal Payment Date shall be in an amount to provide, together with amounts then on deposit in the Principal Account, the balance of the principal maturing or subject to mandatory sinking fund redemption on such Principal Payment Date. There shall be paid from the Principal Account equally and ratably to the holder of each Senior Note the amount of principal payments due on each Senior Note, whether at maturity or earlier mandatory redemption (other than by reason of acceleration of maturity or other demand for payment), as such principal becomes due;

(5) to the holder of any Senior Note entitled to maintain a reserve fund for the payment of such Senior Note, an amount sufficient to cause the balance on deposit in such reserve fund to equal the required balance as required by the applicable Related Bond Documents;

(6) a transfer to the Interest Account of an amount necessary to accumulate in equal monthly installments the interest on the Subordinate Notes due and payable on the next Interest Payment Date; provided, however, that to the extent available, each transfer made on the fifth business day before the end of each month immediately preceding each Interest Payment Date shall be in an amount to provide, together with amounts then on deposit in the Interest Account, the balance of the interest due on the Subordinate Notes on the next succeeding Interest Payment Date. There shall be paid from the Interest Account equally and ratably to the holder of each Subordinate Note the amount of interest on each Subordinate Note as such interest becomes due;

(7) a transfer to the Principal Account of the amount necessary to accumulate in equal monthly installments the principal of the Subordinate Notes maturing or subject to mandatory sinking fund redemption on the next Principal Payment Date taking into account with respect to each such payment (i) any other money actually available in the Principal Account for such purpose and (ii) any credit against amounts due on each Principal Payment Date granted pursuant to other provisions of this Master Indenture; provided, however, that to the extent available, the transfer made on or before the fifth business day before the end of each month immediately preceding such Principal Payment Date shall be in an amount to provide, together with amounts then on deposit in the Principal Account, the balance of the principal maturing or subject to mandatory sinking fund redemption on such Principal Payment Date. There shall be paid from the Principal Account equally and ratably to the holder of each Subordinate Note the amount of principal payments due on each Subordinate Note, whether at maturity or earlier mandatory redemption (other than by reason of acceleration of maturity or other demand for payment), as such principal becomes due; and

(8) to the Company, the amount specified in a Request as the amount of ordinary and necessary expenses of the Company for its operations for the following month.

(d) Any amounts remaining on deposit in the Revenue Fund on the day following the end of the month in which all Events of Default under this Master Indenture have been cured, waived or the termination of which has been acknowledged pursuant to Section 617 of this Master Indenture, shall be paid to the Company upon Request, which may be used for any lawful purpose.

(e) Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee shall promptly invest and reinvest such amounts in the Defeasance Obligations specified in any Order. All such investments shall have a maturity not greater than ninety-one (91) days from date of purchase.

Section 406. Insurance and Condemnation Proceeds Fund

.

(a) There is hereby created by the Company and established with the Master Trustee the special fund of the Company designated the "Seton Education Partners Insurance and Condemnation Proceeds Fund" (herein referred to as the "***Insurance and Condemnation Fund***").

The Master Trustee is hereby authorized to create any accounts within such Insurance and Condemnation Fund as the Master Trustee finds necessary or desirable, provided, the Master Trustee shall have no duty to establish the Insurance and Condemnation Fund prior to the first occurring receipt of proceeds under an insurance policy or a condemnation of all or a portion of any Participating Campus. The money deposited to the Insurance and Condemnation Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section.

(b) Immediately upon receipt of any payments to the Master Trustee for deposit into the Insurance and Condemnation Fund, the Master Trustee shall transfer such amounts to the Related Bond Trustee in accordance with the Related Indenture to which such insurance or condemnation proceeds relate for use pursuant to such Related Indenture and the Related Loan Documents for such Participating Campus.

Section 407. Waiver of Certain Covenants

. The Company may omit in any particular instance to comply with any covenant or condition set forth in Section 402 through Section 406 hereof if, before or after the time for such compliance, the holders of the same percentage in principal amount of all Notes then Outstanding, the consent of which would be required to amend the provisions hereof to permit noncompliance with such covenant or condition, shall either waive compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived and, until such waiver shall become effective, the obligations of the Company and the duties of the Master Trustee in respect of any such covenant or condition shall remain in full force and effect. A waiver of compliance shall not be effective until a written waiver executed by the required Note Holders is delivered to the Master Trustee.

Section 408. Financial Reports; No Default Certificates; Notice of Default

.

(a) The Company shall cause an annual audit of its books and accounts to be made by Independent Accountants and delivered to it within 180 days after the end of each Fiscal Year of the Company. Within thirty (30) days of when said audit report is delivered to the Company, the Company shall deliver the audit report and the management letter to the Master Trustee, together with a certificate signed by an Authorized Representative stating that such person has reviewed the obligations of the Company under the Related Loan Documents, the Related Bond Documents, any Leasehold Mortgage, the Notes, this Master Indenture and the performance of the Company hereunder and thereunder, and has consulted with such officers and employees of the Company as he deemed appropriate and necessary for the purpose of delivering such certificate, and based on such review and consultation, no Event of Default, has occurred and is continuing under the aforementioned documents. The Master Trustee shall have no duty to examine or independently verify any such audit reports or the matters described in any such certificate other than to examine the certificate for compliance with the required statements therein, and shall have no duty to furnish such audits to any third party.

(b) The Company shall also, promptly upon receiving notice thereof, notify the Related Issuer and the Master Trustee in writing upon the occurrence of an Event of Default or any event which with the giving of notice or the passage of time or both would constitute an Event of Default hereunder or under the Notes, or the Related Bond Documents.

Section 409. Negative Pledge

. The Company covenants not to take any action that would create or allow any liens to exist, except any Permitted Encumbrances (as defined in the Leasehold Mortgage), on any real property, personal property or equipment included in a Leasehold Mortgage other than a lien arising in connection with the issuance of Debt as permitted by Section 212 or as otherwise permitted by this Master Indenture or the Leasehold Mortgage. The Company will not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in the collateral described in the Granting Clauses hereunder that ranks prior to or on parity with the lien granted hereunder, or file any financing statement describing any such pledge, assignment, lien or security interest, except as expressly permitted by this Master Indenture.

Section 410. Subordinate Debt

The Company covenants and agrees:

(b) That all Subordinate Debt shall be and hereby is subordinated to all Senior Notes issued hereunder (a) in rights of enforcement and time of payment to amounts due and payable (whether at stated maturity, prepayment, acceleration or otherwise); and (b) in the exercise of rights and remedies (including waivers and rights in connection with certain Proceedings) from and after the occurrence and during the continuation of an Event of Default. No Subordinate Debt shall at any time have any pledge of or lien on (whether mortgage lien or otherwise) or any security interest in, to or on the Pledged Revenues, the Revenue Fund or any funds and accounts created and administered under this Master Indenture, any accounts subject to a Deposit Account Control Agreement, any other deposit accounts or the Company or any of the Collateral subject to any Leasehold Mortgage that is prior to or on parity with the Senior Notes.

(c) That it shall not take any action the effect of which would be to adversely affect the right of payment under this Master Indenture to which the Holders of the Senior Notes are entitled on a prior and senior basis in terms of rights of enforcement and time of payment to the Subordinate Lenders whose rights and interests are subject and subordinate to the Holders of the Senior Notes as provided in this Master Indenture.

(d) That it shall not permit (i) the prepayment of any Subordinate Note without the express consent of a majority of the Holders of Senior Notes or (ii) the acceleration of any Subordinate Lien Note without the acceleration of the Senior Notes.

(e) That upon an Event of Default it shall not make any payment or benefit, by setoff or otherwise, directly or indirectly, on account of principal, interest or any other amounts owing on any Subordinate Debt unless expressly permitted to do so in a separate writing executed by the Master Trustee on behalf of the Holders of the Senior Notes. Any payment made in violation of this Master Indenture shall promptly be delivered to the Master Trustee on behalf of the Holders of the Notes in the form received, with any endorsement or assignment necessary for the transfer

to Master Trustee on behalf of the Holders of the Senior Notes, of such payment to be either (in the Master Trustee's sole discretion) held as cash collateral securing the Senior Notes or applied in pro-rata reduction of Senior Notes and until so delivered, the Subordinate Lenders shall hold such payment in trust for and on behalf of, and as the property of, Master Trustee.

Section 411. Debt Service Coverage Ratio

. For so long as any Notes are Outstanding, Pledged Revenues for each Fiscal Year must be equal to at least 110% of the sum of (i) the Annual Debt Service Requirements of the Company and (ii) total ground rent payments under the Prime Leases, both as of the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2022. The Company's failure to achieve a debt service coverage ratio of 110% does not constitute an Event of Default if the Company promptly employs at its sole expense (within 30 days of the date a certificate describing such circumstances was required to be submitted) an Independent Management Consultant to review and analyze the Leases and Prime Leases, inspect the facilities, and submit to the Company, the Bond Trustee and Master Trustee written reports, and perform such other review and analysis as necessary. The Independent Management Consultant shall deliver its report within forty-five (45) days of its retention to the Company, the Bond Trustee and the Master Trustee, and such report shall make such recommendations as to the operation and administration of the Company as such Independent Management Consultant deems appropriate, including any recommendation as to a revision of the Leases and Prime Leases. The Company agrees to consider any recommendations by the Independent Management Consultant and, to the fullest extent practicable, to adopt and carry out such recommendations. Failure of the Company to achieve the required debt service coverage ratio shall not constitute an Event of Default if the Company takes all action necessary to comply with the procedures set forth above for adopting a plan and follows each recommendation contained in such plan or Independent Management Consultant's report to the extent feasible (as determined in the reasonable judgment of the Company's Board) and permitted by law. Notwithstanding the foregoing, failure of the Company to achieve a debt service coverage ratio at least equal to 100% shall constitute an Event of Default under this Agreement.

ARTICLE V
CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER

Section 501. Consolidation, Merger, Conveyance, or Transfer Only on Certain Terms

. In addition to any other requirements set forth in the Related Bond Documents, the Company covenants and agrees that it will not consolidate with or merge into any corporation or convey or transfer its properties substantially as an entirety to any Person, unless, all of the following conditions exist:

(1) the Person formed by such consolidation or into which the Company merges or the Person which acquires substantially all of the properties of the Company as an entirety shall be a Person organized and existing under the laws of the United States of America or any state or the District of Columbia and shall expressly assume by instrument supplemental hereto executed and delivered to the Master Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on the Notes and any other amounts due thereunder or in accordance with this Master Indenture and the performance

and observance of every covenant and condition hereof on the part of the Company to be performed or observed;

(2) an Officer's Certificate shall be delivered to the Master Trustee to the effect that such consolidation, merger or transfer shall not, immediately after giving effect to such transaction, cause a default hereunder to occur and be continuing; and

(3) the Company shall have delivered to the Master Trustee and Related Bond Trustee an Officer's Certificate and Opinion of Counsel, each stating that such consolidation, merger, conveyance, or transfer and such supplemental instrument comply with this Article and that all conditions precedent relating to such transaction provided for herein have been complied with, and a Favorable Opinion of Bond Counsel.

Section 502. Successor Corporation Substituted

. Upon any consolidation or merger or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 501, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company hereunder with the same effect as if such successor Person had been named as the Company herein.

ARTICLE VI
REMEDIES OF THE MASTER TRUSTEE AND NOTE HOLDERS IN EVENT OF DEFAULT

Section 601. Events of Default

. "Event of Default," whenever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of the principal of (premium, if any) or interest or any other amount due on any Note when due (giving effect to any applicable period of grace, if any); or

(b) default in the performance, or breach, of any covenant or agreement on the part of the Company contained in this Master Indenture (other than a covenant or agreement the default in the performance or observance of which is elsewhere specifically addressed) and continuance of such default or breach for a period of thirty (30) days after a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder and has been given by registered or certified mail by (i) the holders of at least 25% in principal amount of Notes then Outstanding, or (ii) the Master Trustee to the Company (with a copy to the Master Trustee in the case of notice by the Note Holders); provided that if such default under this Section 601(b) can be cured by the Company but cannot be cured within the 30-day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by the Company within such 30-day period and diligently pursued until the default is

corrected; provided, however that the Company shall submit reports to the Master Trustee each fiscal quarter regarding such corrective action until the default is corrected; or

(c) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of the Company under the Bankruptcy Code, Title 11 of the United States Code, as amended (the "***Bankruptcy Code***"), or any other similar applicable federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of ninety (90) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Company or the Company's property, or for the winding up or liquidation of the Company or the Company's affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of ninety (90) days; or

(d) the Company shall institute proceedings to be adjudicated a voluntary bankruptcy, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Company in furtherance of any of the aforesaid purposes;

(e) an event of default, as therein defined, under any instrument or agreement under which any Note may be incurred or secured, or under any Related Bond Documents or the Master Covenant Agreement, occurs and is continuing beyond any applicable period of grace, if any;

(f) a Qualified Provider under a Financial Products Agreement that is secured by a Note notifies the Master Trustee in writing that an event of default under such Financial Products Agreement, as therein defined, has occurred and is continuing beyond the applicable grace period, if any.

Section 602. Acceleration of Maturity in Certain Cases; Rescission and Annulment

.

(a) If an Event of Default occurs and is continuing, then and in every such case the Master Trustee may, and upon the request of: (i) the holders of not less than 25% in aggregate principal amount of the Notes Outstanding (or, in the case of any Event of Default described in clause (e) above resulting in the loss of any exclusion from gross income of interest on, or the invalidity of, any Debt secured by a pledge of Notes, the holders of not less than 25% in aggregate principal amount of the Notes Outstanding of the affected series) shall, by a notice in writing to the Company, accelerate the Maturity of the Notes, and upon any such declaration such principal of (premium, if any) and interest and any other amount due on any Note shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Master Trustee as

hereinafter in this Article provided, the holders of a majority in aggregate principal amount of the Notes Outstanding, by written notice to the Company and the Master Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has caused to be paid or deposited with the Master Trustee a sum sufficient to pay:

(A) all overdue installments of interest on all Notes;

(B) the principal of (and premium, if any, on) any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes as well as any other amounts due and owing as provided in such Notes; and

(C) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and

(2) all Events of Default, other than the non-payment of the principal of Notes which have become due solely by such acceleration, have been cured or waived as provided in Section 613.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(c) Acceleration of Notes pursuant to this Section 602 may be declared separately and independently with or without an acceleration of the Related Bonds.

Section 603. Collection of Indebtedness and Suits for Enforcement by Master Trustee

.

(a) The Company covenants that if:

(1) default is made in the payment of any installment of interest on any Note when such interest becomes due and payable;

(2) default is made in the payment of the principal of (or premium, if any), on any Note when such principal (or premium, if any) becomes due and payable; or

(3) default is made in the payment of any other amount when such amount is due and payable;

the Company will, subject to Section 401 hereof, upon demand of the Master Trustee, pay to it, for the benefit of the holders of such Notes, but solely from Pledged Revenues and other assets included in the Trust Estate, the whole amount then due and payable on such Notes for principal (and premium, if any) and interest, with interest upon the overdue principal (and premium, if any) and any other amount due; and, in addition thereto, such further amount as shall be sufficient to

cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel.

(b) If the Company fails to pay any of the foregoing amounts forthwith upon demand, the Master Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company and collect the moneys adjudged or decreed to be payable in the manner provided by law.

(c) If an Event of Default occurs and is continuing, the Master Trustee may in its discretion proceed to protect and enforce its rights and the rights of the holders of Notes and other obligations secured hereunder by such appropriate judicial proceedings as the Master Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Master Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy, including without limitation proceeding under the UCC or other applicable State law as to all or any part of the Trust Estate, and the Company hereby covenants and agrees with the Master Trustee that the Master Trustee shall have and may exercise with respect to the Trust Estate all the rights, remedies and powers of a secured party under the UCC or other applicable law as in effect in the State.

(d) If an Event of Default occurs and is continuing, the mortgage trustee named in the Leasehold Mortgage may foreclose on any property subject to the Leasehold Mortgage.

Section 604. Master Trustee May File Proofs of Claim

.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or property of the Company or of such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Master Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(1) to file and prove a claim for the whole amount of principal (and premium, if any) and interest and any other amounts owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel as administrative expenses) and of the Note Holders allowed in such judicial proceeding; and

(2) to collect and receive any moneys or other property payable or deliverable on any such claims solely from Pledged Revenues and other assets included in the Trust Estate and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Note Holder to make such payments to the Master

Trustee, and in the event that the Master Trustee shall consent to the making of such payments directly to the Note Holders, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under this Master Indenture.

(b) Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Note Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any holder thereof, or to authorize the Master Trustee to vote in respect of the claim of any Note Holder in any such proceeding.

Section 605. Master Trustee May Enforce Claims Without Possession of Notes

. All rights of action and claims under this Master Indenture or the Notes may be prosecuted and enforced by the Master Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, be for the ratable benefit of the Note Holders in respect of which such judgment has been recovered.

Section 606. Application of Money Collected

. Any money collected by the Master Trustee pursuant to this Article and any proceeds of any sale (after deducting the costs and expenses of such sale, including a reasonable compensation to the Master Trustee, its agents and counsel, any other amounts due to the Master Trustee and any taxes, assessments, or liens prior to the lien of this Master Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, together with, in the case of an entry or sale as otherwise provided herein, any other sums then held by the Master Trustee as part of the Trust Estate, shall be deposited in the Revenue Fund created by this Master Indenture, shall be applied in the order specified in Section 405, at the date or dates fixed by the Master Trustee and, in case of the distribution of such money on account of principal (or premium, if any), upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid.

Section 607. Limitation on Suits

. No Note Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Note Holder has previously given written notice to the Master Trustee of a continuing Event of Default;

(2) the holders of not less than 25% in aggregate principal amount of the Outstanding Notes shall have made written request to the Master Trustee to institute

proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;

(3) such Note Holder or Note Holders have provided to the Master Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Master Trustee for sixty (60) days after its receipt of such notice, request and provision of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Master Trustee during such 60-day period by the holders of a majority in aggregate principal amount of the Outstanding Notes;

it being understood and intended that no one or more Note Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Indenture to affect, disturb or prejudice the rights of any other Note Holders, or to obtain or to seek to obtain priority or preference over any other Note Holders, or to enforce any right under this Master Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Note Holders.

Section 608. Unconditional Right of Note Holders to Receive Principal, Premium and Interest

. Notwithstanding any other provision in this Master Indenture, any Note Holder shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Note, but (without waiving or impairing any rights such Note Holder may have under any other instrument or agreement) solely from the sources provided in this Master Indenture, on the respective Stated Maturities expressed in such Note (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Note Holder.

Section 609. Restoration of Rights and Remedies

. If the Master Trustee or any Note Holder has instituted any proceeding to enforce any right or remedy under this Master Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Note Holder, then and in every such case the Company, the Master Trustee and the Note Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Master Trustee and the Note Holders shall continue as though no such proceeding had been instituted.

Section 610. Rights and Remedies Cumulative

. No right or remedy herein conferred upon or reserved to the Master Trustee or to the Note Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or

employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 611. Delay or Omission Not Waiver

. No delay or omission of the Master Trustee or of any Note Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Master Trustee or to the Note Holders may be exercised from time to time, and as often as may be deemed expedient, by the Master Trustee or by the Note Holders, as the case may be.

Section 612. Control by Note Holders

. The holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred on the Master Trustee, provided that such direction shall not be in conflict with any rule of law or with this Master Indenture, and provided further that the Master Trustee shall have the right to decline to comply with any such request in accordance with Section 703(e) hereof or if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the Note Holders not parties to such direction. The Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction.

Section 613. Waiver of Past Defaults

.

(a) The holders of not less than a majority in aggregate principal amount of the Outstanding Notes may on behalf of the holders of all the Notes waive any past default hereunder and its consequences, except:

(1) a default in the payment of the principal of (or premium, if any) or interest or any other amount on any Note; or

(2) a default in respect of a covenant or provision hereof which under Article VIII cannot be modified or amended without the consent of the holder of each Outstanding Note affected.

(b) Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Master Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 614. Undertaking for Costs

. All parties to this Master Indenture agree, and each Note Holder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Master Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Master Trustee, to any suit instituted by any Note Holder, or group of Note Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Notes, or to any suit instituted by any Note Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Note on or after the respective Stated Maturities expressed in such Note (or, in the case of redemption, on or after the redemption date).

Section 615. Waiver of Stay or Extension Laws

. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Master Indenture; and the Company (to the extent that it may lawfully do so), hereby expressly waives all benefit or advantage of any such law, and covenants (to the extent that it may lawfully do so) that it will not hinder, delay or impede the execution of any power herein granted to the Master Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 616. No Recourse Against Others

. No recourse under or upon any obligation, covenant or agreement contained in this Master Indenture or any indenture supplemental hereto, or in any Note, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, or against any past, present or future director, officer or employee, as such, of the Master Trustee or the Company or of any successor corporation, either directly or through the Company, whether by virtue of any constitution or statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Master Indenture and the Notes are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, directors, officers or employees, as such, of the Master Trustee or the Company or any successor corporation, or any of them, because of the creation of indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Master Indenture or in any of the Notes or implied therefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, director, officer or employee, as such, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Master Indenture and the issue of such Notes.

Section 617. Termination of Default

. Once an Event of Default has been cured in accordance with the provisions of this Master Indenture or the instrument under which any Note is incurred or secured, such Event of Default will be deemed to no longer exist and the Master Trustee shall notify the Company in writing that such Event of Default has been cured and all corrective actions under this Master Indenture shall immediately cease unless or until another Event of Default shall occur; provided however, that once the Notes are accelerated pursuant to Section 602, the provisions of Section 602 shall govern rescission and the cessation of remedies.

ARTICLE VII
CONCERNING THE MASTER TRUSTEE

Section 701. Duties and Liabilities of Master Trustee

.

(a) The Master Trustee accepts and agrees to execute the trusts imposed upon it by this Master Indenture, but only upon the terms and conditions set forth herein, and no implied duties, covenants or obligations shall be read into this Master Indenture against the Master Trustee.

(b) In case any Event of Default has occurred and is continuing (of which a Responsible Officer of the Master Trustee has actual knowledge or is deemed to have actual knowledge under Section 703(h) hereof), the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in its exercise, as a reasonably prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

(c) No provision of this Master Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except, that:

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section or Section 703 hereof;

(2) the Master Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(3) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with Section 602(a) hereof or otherwise with the direction of the holders of not less than a majority in aggregate principal amount of the Notes then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under this Master Indenture; and

(4) no provision of this Master Indenture shall require the Master Trustee to expend or risk its funds or otherwise incur any financial liability in the performance of any

of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability or the payment of its fees and expenses is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section and Section 703.

Section 702. Notice of Defaults

. Within sixty (60) days after the occurrence of any default of which the Master Trustee is deemed to have knowledge hereunder, the Master Trustee shall transmit by mail to all Note Holders notice of such default, unless such default shall have been cured or waived or unless corrective action to cure such default has been instituted and is being pursued such that such default does not constitute an Event of Default; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Notes or in the payment of any sinking or purchase fund installment, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Master Trustee in good faith determine that the withholding of such notice from the Note Holders is in the interest of the Note Holders; and provided, further, that in the case of any default of the character specified in Section 601(b), no such notice to Note Holders shall be given until at least thirty (30) days after the notice described in Section 601(b) is given and a cure is not forthcoming. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 703. Certain Rights of Master Trustee

.

(a) The Master Trustee may conclusively rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document, including, but not limited to, a Request, Officer's Certificate, Opinion of Counsel, or Board resolution, believed by it to be genuine and to have been signed or presented by the proper party or parties and shall not be required to verify the accuracy of any information or calculations required to be included therein or attached thereto.

(b) Any request or direction of the Company shall be sufficiently evidenced by a Request; and any resolution of the Governing Body may be evidenced to the Master Trustee by a Board Resolution.

(c) Whenever in the administration of this Master Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate.

(d) The Master Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in reliance thereon.

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture at the request or direction of any of the Note Holders pursuant to the provisions of this Master Indenture, unless such Note Holders shall have provided to the Master Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in connection with such request or direction and for the payment of the Master Trustee's fees in connection therewith.

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document, including, but not limited to, a Request, Officer's Certificate, Opinion of Counsel, or Board Resolution, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney and to take such memoranda from and in regard thereto as may be reasonably desired. The Master Trustee shall have no obligation to perform any of the duties of the Company under this Master Indenture.

(g) The Master Trustee may execute any of the trusts or powers hereunder either directly or by or through agents or attorneys or may act or refrain from acting in reliance upon the opinion or advice of such agents or attorney, but the Master Trustee shall not be held liable for any negligence or misconduct of any such agent or attorney appointed by it with due care. The Master Trustee may act upon the opinion or advice of an attorney or agent selected by it in the exercise of reasonable care or upon the opinion or advice of an attorney or agent retained by the Company. The Master Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its reliance upon such opinion or advice. The Master Trustee may in all cases pay reasonable compensation or incur fees to any attorney or agent retained or employed by it in connection herewith and all such compensation shall be paid by the Master Trustee from the Revenue Fund in accordance with Section 405(c) or reimbursed and paid by the Company in accordance with Section 707(a)(2).

(h) The Master Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder unless the Master Trustee shall be specifically notified of such Event of Default in writing by the Company or by the holder of an Outstanding Note, and in the absence of such notice the Master Trustee may conclusively assume that no Event of Default exists; provided, however, that the Master Trustee shall be required to take and be deemed to have notice of its failure to receive the moneys necessary in order for the Paying Agent to make payments when due of principal of (premium, if any) or interest on any Note.

(i) The Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with any direction of the holders of the Outstanding Notes permitted to be given by them under this Master Indenture.

(j) The permissive right of the Master Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Master Trustee shall not be answerable for other than its negligence or willful misconduct in accordance with the terms of this Master Indenture.

(k) The Master Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) The Master Trustee shall not be responsible for monitoring the existence of or determining whether any lien or encumbrance or other charge including without limitation any Permitted Encumbrance (as defined in the Leasehold Mortgage) exists against a Participating Campus or the Trust Estate.

(m) The Master Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Company herein or in the Leasehold Mortgage hereunder except as may be expressly provided for herein or therein. The Master Trustee may but will never be obligated to, require of the Company full information and advice as to the performance of the aforesaid covenants, conditions and agreements.

(n) No provision of this Master Indenture shall require the Master Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 704. Not Responsible For Recitals or Issuance of Notes

. The recitals contained herein and in the Notes (other than the certificate of authentication on such Notes) shall be taken as the statements of the Company and the Master Trustee assumes no responsibility for their correctness. The Master Trustee makes no representations as to the validity or sufficiency of this Master Indenture or of the Notes. The Master Trustee shall not be accountable for the use or application by the Company of any of the Notes or of the proceeds of such Notes, for the use or application of any money paid over by the Master Trustee in accordance with the provisions of this Master Indenture or for the use and application of money received by any Paying Agent.

Section 705. Master Trustee May Own Notes

. The Master Trustee or other agent of the Master Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company with the same rights it would have if it were not Master Trustee or such other agent.

Section 706. Moneys to Be Held in Trust

. All moneys received by the Master Trustee shall, until used or applied as herein provided be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Master Trustee shall be under no liability for interest on any moneys received by it hereunder other than such interest as it expressly agrees in writing to pay.

Section 707. Compensation and Expenses of Master Trustee

.

(a) The Company hereby agrees:

(1) to pay to the Master Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any law limiting the compensation of the trustee of an express trust), whether as Master Trustee or as Paying Agent;

(2) except as otherwise expressly provided in this Section 707(a), to reimburse the Master Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel); and

(3) to indemnify, and does hereby indemnify, the Master Trustee, its officers, directors, employees, agents and affiliates (including without limitation, the Master Trustee as Paying Agent hereunder) (collectively, the "***Indemnitees***") for, and to defend and hold them harmless, and does hereby defend and hold them harmless, against, loss, liability, claims, proceedings, suits, demands, penalties, costs and expenses, including without limitation, the costs and expenses of outside and in house counsel and experts and their staffs and all expenses of document location, duplication and shipment and of preparation to defend and defending any of the foregoing ("***Losses***"), that may be imposed on, incurred by or asserted against any Indemnitee in respect of (i) any loss, or damage to any property, or injury to or death of any person, asserted by or on behalf of any Person arising out of, resulting from, or in any way connected with the Participating Campus, or the conditions, occupancy, use, possession, conduct or management of, or any work done in or about the Participating Campus or from the planning, design, acquisition or construction of any Participating Campus facilities or any part thereof, (ii) the issuance of any Notes or Related Bonds, or the Company's or the Related Issuer's, as the case may be, authority therefore, (iii) this Master Indenture and any instrument related thereto, (iv) the Master Trustee's execution, delivery and performance of this Master Indenture, except in respect of any Indemnitee to the extent such Indemnitee's negligence or bad faith caused such Loss as finally adjudicated by a court of competent jurisdiction, and (v) compliance with or attempted compliance with or reliance on any instruction or other direction upon which the Master Trustee may rely under this Master Indenture or any instrument related thereto. The Company further agrees to indemnify the Indemnitees against any Losses as a result of (1) any untrue statement or alleged untrue statement of any material fact or the omission or alleged omission to state a material fact necessary to make the statements made not misleading in any statement, information or material furnished by the Company to the Master Trustee or the Note Holder, including, but not limited to, any disclosure document utilized in connection with the sale of any Related Bonds; or (2) the inaccuracy of the statements contained in any section of any Related Bond Indenture relating to environmental representations and warranties. The foregoing indemnification shall include, without limitation, indemnification for any statement or information concerning

the Company or its officers and board members or its property contained in any official statement or other offering document furnished to the Master Trustee or the purchaser of any Notes or Related Bonds that is untrue or incorrect in any material respect, and any omission from such official statement or other offering document of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Company, its officers and board members and its property not misleading in any material respect. The foregoing is in addition to any other rights, including rights to indemnification, to which the Master Trustee may otherwise be entitled, including without limitation, pursuant to the Leasehold Mortgage. The provisions of this Section 707(a)(3) will survive the satisfaction and discharge of this Master Indenture, the resignation or removal of the Master Trustee and the payment of all Notes hereunder.

(b) As such security for the performance of the obligations of the Company under this Section the Master Trustee shall have a lien prior to the Notes upon all property and funds held or collected by the Master Trustee as such. The payment obligations set forth above shall include all such fees and expenses of the Master Trustee and its agents under any Supplemental Master Indenture.

Section 708. Corporate Master Trustee Required; Eligibility

. There shall at all times be a Master Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 709. Resignation and Removal; Appointment of Successor

.

(a) No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Section shall become effective until the acceptance of appointment by the successor Master Trustee under Section 710.

(b) The Master Trustee may resign at any time by giving thirty (30) days written notice thereof to the Company. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(c) The Master Trustee may be removed at any time by (i) the holders of a majority in aggregate principal amount of the Outstanding Notes, or (ii) so long as there is no Event of Default

and no circumstance has occurred that, with the passage of time, will constitute an Event of Default, the Company acting through an Authorized Representative.

(d) If at any time:

(1) the Master Trustee shall cease to be eligible under Section 708 and shall fail to resign after written request therefor by the Company or by any Note Holder; or

(2) the Master Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a conservator or a receiver of the Master Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Master Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, in any such case, (i) the Company by a Request may remove the Master Trustee, or (ii) subject to Section 614, any Note Holder who has been a bona fide Note Holder for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of a successor Master Trustee.

(e) If the Master Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Company shall promptly appoint a successor Master Trustee. If, within six (6) months after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Master Trustee shall be appointed by Act of the holders of a majority in aggregate principal amount of the Outstanding Notes delivered to the Company and the retiring Master Trustee, the successor Master Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Master Trustee and supersede the successor Master Trustee appointed by the Company. If no successor Master Trustee shall have been so appointed by the Company or the Note Holders and accepted appointment in the manner hereinafter provided, the Master Trustee or any Note Holder who has been a bona fide Note Holder for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(f) The Company shall give notice of each resignation and each removal of the Master Trustee and each appointment of a successor Master Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Note Holders at their addresses as shown in the Note Register. Each notice shall include the name and address of the designated corporate trust office of the successor Master Trustee.

Section 710. Acceptance of Appointment by Successor

.

(a) Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become effective and such successor Master Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Master Trustee; but, on Request of the Company or the successor Master Trustee, such retiring Master Trustee shall, upon

payment of its charges, execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers and trusts of the retiring Master Trustee, and shall duly assign, transfer and deliver to the successor Master Trustee all property and money held by such retiring Master Trustee hereunder. Upon request of any such successor Master Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such rights, powers and trusts.

(b) No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article.

Section 711. Merger or Consolidation

. Any corporation into which the Master Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Master Trustee shall be a party, or any corporation acquiring and succeeding to all or substantially all of the corporate trust business of the Master Trustee, shall be the successor Master Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Master Trustee then in office, any successor by merger or consolidation to such authenticating Master Trustee may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Master Trustee had itself authenticated such Notes.

Section 712. Release of Property

. Upon written request of the Company, the Master Trustee shall execute and deliver in recordable form any releases of property encumbered hereby or by the Leasehold Mortgage (1) as provided in any Leasehold Mortgage, (2) in the event of the removal or substitution of a Participating Campus in accordance with a Lease, or (3) at the request of a majority of the holders of the aggregate principal amount of the Outstanding Notes.

ARTICLE VIII
SUPPLEMENTS

Section 801. Supplemental Master Indentures Without Consent of Note Holders

. Without the consent of the Note Holders, the Company, when authorized by a Board Resolution, and the Master Trustee at any time may enter into or consent to one or more indentures supplemental hereto, subject to Section 804 hereof, for any purpose that will not materially adversely affect the interest of Note Holders, including, without limitation, any of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising under this Master Indenture which shall not be inconsistent with this Master Indenture, provided such action shall not adversely affect the interests of the Note Holder;

(b) to grant to or confer upon the Master Trustee for the benefit of the Note Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Note Holders and the Master Trustee, or either of them, to add to the covenants of the Company for the benefit of the Note Holders or to surrender any right or power conferred hereunder upon the Company;

(c) to assign and pledge under this Master Indenture additional revenues, properties or collateral;

(d) to evidence the succession of another corporation to the agreements of the Master Trustee, or a successor thereof hereunder;

(e) to evidence the succession of another Person to the Company, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of the Company as permitted by this Master Indenture;

(f) to modify or supplement this Master Indenture in such manner as may be necessary or appropriate to qualify this Master Indenture under the Trust Indenture Act of 1939 as then amended, or under any similar federal or State statute or regulation, including provisions whereby the Master Trustee accepts such powers, duties, conditions and restrictions hereunder and the Company undertakes such covenants, conditions or restrictions additional to those contained in this Master Indenture as would be necessary or appropriate so to qualify this Master Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Master Indenture or in any indenture supplemental hereto, provisions referred to in Section 316(a)(2) of the said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect;

(g) to provide for the refunding or advance refunding of any Note, in whole or in part as permitted hereunder;

(h) to permit a Note to be secured by new security which may or may not be extended to all Note Holders or to establish special funds or accounts under this Master Indenture;

(i) to allow for the issuance of any series of Notes in certificated or uncertificated form;

(j) to make any modification, amendment or supplement to this Master Indenture or any indenture supplemental hereto or any amendment thereto in such a manner as to establish or maintain exemption of interest on any Related Bonds under a Related Bond Indenture from federal income taxation under applicable provisions of the Code;

(k) so long as no Event of Default has occurred and is continuing under this Master Indenture and so long as no event which with notice or the passage of time or both would become an Event of Default under this Master Indenture has occurred and is continuing, to make any other change herein or therein which, as set forth in Officer's Certificate:

(1) is in the best interest of the Company;

(2) does not adversely affect any Note Holder;

(3) provided that, with respect to each applicable series of Related Bonds, an Opinion of Counsel acceptable to the Master Trustee, and on which the Master Trustee may conclusively rely, to the effect that the amendment proposed to be adopted by such Supplemental Master Indenture will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on such Related Bonds otherwise entitled to such exclusion; and

(4) provided that, no such amendment, directly or indirectly, shall (A) change the provisions of this subsection (k), (B) make any modification of the type prohibited in Section 802 hereof, or (C) make a modification intended to subordinate the right to payment of a Note Holder to the right of Payment of any Note Holder or any other Debt.

(l) to make any amendment to any provision of this Master Indenture or to any supplemental indenture which is only applicable to Notes issued thereafter or which will not apply so long as any Notes then Outstanding remain Outstanding;

(m) to modify, eliminate or add to the provisions of this Master Indenture if the Master Trustee shall have received (1) written confirmation from each Rating Service rating any series of Notes or Related Bonds that such change will not result in a withdrawal or reduction of its credit rating assigned to any series of Notes or Related Bonds, as the case may be, and (2) a Board Resolution to the effect that, in the judgment of the Company, such change is necessary to permit the Company to affiliate or merge with one or more other charter schools on acceptable terms and such change and affirmation are in the best interests of the Note Holders of the Outstanding Notes, and does not otherwise adversely affect any Note Holder.

Section 802. Supplemental Indentures With Consent of Note Holders

.

(a) With the consent of the holders of not less than a majority in aggregate principal amount of the Outstanding Notes, by Act of said Note Holders delivered to the Company and the Master Trustee, the Company, when authorized by a Board Resolution, and the Master Trustee may enter into or consent to an indenture or indentures supplemental hereto (subject to Section 804 hereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Indenture or of modifying in any manner the rights of the Note Holders under this Master Indenture; provided, however, that no such Supplemental Master Indenture shall, without the consent of the holder of each Outstanding Note affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Notes or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which, any Notes or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date); or

(2) reduce the percentage in aggregate principal amount of the Outstanding Notes, the consent of whose holders is required for any such supplemental indenture, or the consent of whose holders is required for any waiver (of compliance with certain

provisions of this Master Indenture or certain defaults hereunder and their consequences) provided for in this Master Indenture; or

(3) modify any of the provisions of this Section or Section 613, except to increase any such percentage or to provide that certain other provisions of this Master Indenture cannot be modified or waived without the consent of each Note Holder affected thereby; or

(4) confer any preference or priority of any Note or series of Notes over another Note or series of Notes without the consent of the Note Holders that would be adversely affected by such action; or

(5) modify any provisions hereunder regarding the subordination or limitations of any Subordinate Debt to the Senior Notes while any Senior Notes remain Outstanding; or

(6) create any lien in the Trust Estate ranking on parity with or having priority over the lien securing the Notes.

(b) It shall not be necessary for any Act of Note Holders under this Section to approve the particular form of any proposed Supplemental Master Indenture, but it shall be sufficient if such Act of Note Holders shall approve the substance thereof, as presented in written form to the Note Holders by the Company.

Section 803. Amendment by Mutual Consent

(a) . The provisions of this Article VIII shall not prevent any Holder from accepting any amendment as to the particular Notes owned by such Holder.

Section 804. Execution of Supplemental Indentures

. In executing, or accepting the additional trusts created by, any Supplemental Master Indenture permitted by this Article or the modifications thereby of the trusts created by this Master Indenture, the Master Trustee shall receive, and (subject to Section 701) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Master Indenture or consent is authorized or permitted by this Master Indenture. The Master Trustee may, but shall not (except to the extent required in the case of a Supplemental Master Indenture entered into under Section 801(d)) be obligated to, enter into any such Supplemental Master Indenture or consent which affects the Master Trustee's own rights, duties or immunities under this Master Indenture or otherwise.

Section 805. Effect of Supplemental Master Indentures

. Upon the execution of any Supplemental Master Indenture under this Article, this Master Indenture shall, with respect to each series of Notes to which such Supplemental Master Indenture applies, be modified in accordance therewith, and such Supplemental Master Indenture shall form a part of this Master Indenture for all purposes, and every Note Holder thereafter or theretofore authenticated and delivered hereunder shall be bound thereby.

Section 806. Notes May Bear Notation of Changes

. Notes authenticated and delivered after the execution of any Supplemental Master Indenture pursuant to this Article may bear a notation in form approved by the Master Trustee as to any matter provided for in such Supplemental Master Indenture. If the Company or the Master Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Master Trustee and the Company, to any such Supplemental Master Indenture may be prepared and executed by the Company and authenticated and delivered by the Master Trustee in exchange for Notes then Outstanding.

ARTICLE IX
SATISFACTION AND DISCHARGE OF MASTER INDENTURE

Section 901. Satisfaction and Discharge of Master Indenture

.

(a) If at any time the Company shall have paid or caused to be paid the principal of (and premium, if any) and interest and all other amounts due and owing on all the Notes Outstanding hereunder, as and when the same shall have become due and payable, and if the Company shall also pay or provide for the payment of all other sums payable hereunder by the Company and shall have paid all of the Master Trustee's fees and expenses pursuant to Section 707 hereof, then this Master Indenture shall cease to be of further effect except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, defaced, or apparently destroyed, lost or stolen Notes, (iii) rights of Note Holders to receive payments of principal thereof (and premium, if any) and interest thereon and remaining obligations of the Company to make mandatory sinking fund payments, (iv) the rights, remaining obligations, if any, and immunities of the Master Trustee hereunder and (v) the rights of the Note Holders as beneficiaries hereof with respect to the property so deposited with the Master Trustee payable to all or any of them and the Master Trustee, on the Request accompanied by an Officer's Certificate and an Opinion of Counsel to the effect that the conditions precedent to the satisfaction and discharge of this Master Indenture have been fulfilled and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Master Indenture.

(b) Notwithstanding the satisfaction and discharge of this Master Indenture, the obligations of the Company to the Master Trustee under Section 707 and, if funds shall have been deposited with the Master Trustee pursuant to Section 902, the obligations of the Master Trustee under Section 903 and Section 402(f) shall survive.

Section 902. Notes Deemed Paid

. Unless otherwise provided in the Supplemental Master Indenture establishing any such series of Notes, Notes of any series shall be deemed to have been paid if:

(a) in case said Notes are to be redeemed on any date prior to their Stated Maturity, the Company by Request shall have given to the Master Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Notes on said redemption date;

(b) there shall have been deposited with the Master Trustee either money sufficient, or Defeasance Obligations the principal of and the interest on which will provide money sufficient without reinvestment (as established by an Officer's Certificate delivered to the Master Trustee accompanied by a report of an Independent Accountant setting forth the calculations upon which such Officer's Certificate is based), to pay when due the principal of (and premium, if any) and interest due and to become due on said Notes on and prior to the Maturity thereof;

(c) in the event said Notes are not by their terms subject to redemption within the next forty-five (45) days, the Company by Request shall have given the Master Trustee in form satisfactory to it irrevocable instructions to give a notice to the Note Holders that the deposit required by clause (b) of this Section 902 above has been made with the Master Trustee and that said Notes are deemed to have been paid in accordance with this Section and stating such redemption date upon which moneys are to be available for the payment of the principal of (and premium, if any) and interest on said Notes.

Section 903. Application of Trust Money

. The Defeasance Obligations and money deposited with the Master Trustee pursuant to Section 902 and principal or interest payments on any such Defeasance Obligations shall be held in trust, shall not be sold or reinvested, and shall be applied by it, in accordance with the provisions of the Notes and this Master Indenture, to the payment, either directly or through any Paying Agent as the Master Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Defeasance Obligations were deposited; provided that, upon delivery to the Master Trustee of an Officer's Certificate (accompanied by the report of an Independent Accountant setting forth the calculations upon which such Officer's Certificate is based) establishing that the money and Defeasance Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in subsection (b) of Section 902, any money received from principal or interest payments on Defeasance Obligations deposited with the Master Trustee or the proceeds of any sale of such Defeasance Obligations, if not then needed for such purpose, shall, upon Request be reinvested in other Defeasance Obligations or disposed of as requested by the Company. For purposes of any calculation required by this Section, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer thereof and the principal of such obligation shall be assumed to be received at its Stated Maturity.

Section 904. Counterparts.

This Master Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Master Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this instrument as to the parties hereto and may be used in lieu of the original instrument for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the Company and the Master Trustee have caused this Master Indenture to be signed on their behalf by their duly authorized representatives as of the date first written above.

SETON EDUCATION PARTNERS

By: _____
Name: _____
Title: _____

THE BANK OF NEW YORK MELLON,
as Master Trustee

By:_____
Name: _____
Title: _____

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SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

Dated as of November 1, 2021

Between

SETON EDUCATION PARTNERS

and

THE BANK OF NEW YORK MELLON,
as Master Trustee

Supplemental to:

Master Trust Indenture
Dated as of November 1, 2021

In connection with the issuance of
Series 2021 Notes

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SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

THIS SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1, dated as of November 1, 2021 (this "***Supplemental Master Indenture***"), is between THE BANK OF NEW YORK MELLON, a banking corporation organized and existing under the laws of the State of New York, not in its individual capacity but solely as the Master Trustee (the "***Master Trustee***"), and SETON EDUCATION PARTNERS, a non-profit corporation organized and existing under the laws of the State of Wyoming (the "***Company***"), amending and supplementing the hereinafter referenced Original Master Indenture.

RECITALS:

WHEREAS, the Company entered into a Master Trust Indenture, dated as of November 1, 2021 (being referred to herein as the "***Original Master Indenture***"), with the Master Trustee, for the purpose of providing for the issuance of Notes thereunder to secure Debt of the Company (as such terms are defined in the Original Master Indenture); and

WHEREAS, the Company and the Master Trustee are authorized under Sections 201 and 801 of the Original Master Indenture, to amend or supplement the Original Master Indenture, subject to the terms and provisions contained therein, and to provide for the issuance of a series of Notes; and

WHEREAS, the Company desires to enter into this Supplemental Master Indenture in order to provide for the issuance of certain Notes, as hereinafter described, to be secured under the Original Master Indenture as amended and supplemented hereby (as so amended and supplemented, the "***Master Indenture***"); and

WHEREAS, the Company deems it desirable to issue (i) a Tax-Exempt Master Indenture Note (Seton Education Partners - Brilla) Series 2021A (the "***Series 2021A Note***") entitled to the security of the Master Indenture in the original principal amount of $_____, and (ii) a Taxable Master Indenture Note (Seton Education Partners - Brilla) Series 2021B, entitled to the security of the Master Indenture, in the original principal amount of $_____ (the "***Series 2021B Note***" and, together with the Series 2021A Note, the "***Series 2021 Notes***") and to deliver such Series 2021 Notes Build NYC Resource Corporation (the "***Issuer***") in order to evidence and secure the obligations of the Company under the Loan Agreement (the "***Loan Agreement***") between the Company and the Issuer, dated as of November 1, 2021, relating to the Issuer's Revenue Bonds (Seton Education Partners—Brilla College Preparatory Charter Schools Project) Series 2021A (the "***Series 2021A Bonds***") and the Issuer's Revenue Bonds (Seton Education Partners—Brilla College Preparatory Charter Schools Project), Taxable Series 2021B (the "***Series 2021B Bonds***" and, together with the Series 2021A Bonds, the "***Series 2021 Bonds***"), issued pursuant to an Indenture of Trust (the "***Bond Indenture***), dated as of November 1, 2021, between the Issuer and The Bank of New York Mellon, as trustee (in such capacity, the "***Bond Trustee***"); and

WHEREAS, the proceeds of the Series 2021 Bonds will be loaned to the Company to be used to finance or refinance the costs of (i) the improvement, renovation and equipment of the

Participating Campuses (the "***Series 2021 Facilities***") to be leased to Brilla College Preparatory Charter Schools, a New York educational corporation and an organization described in Section 501(c)(3) of the Code ("***Brilla***"), for use as charter schools organized and operating under the laws of the State of New York; (ii) funding a debt service reserve fund; (iii) paying capitalized interest on the Series 2021 Bonds; and (iv) paying certain of the costs of issuing such Bonds (collectively, the "***Series 2021 Project***"); and

WHEREAS, the Series 2021 Facilities financed with the proceeds of the Series 2021 Bonds will be leased to and operated by Brilla pursuant to separate sub-leases (as amended, restated, supplemented and/or otherwise modified, the "***Leases***"), between the Borrower and Brilla, which Leases provides for the payment of Rental Payments in an amount calculated to be sufficient to pay debt service on the Series 2021 Bonds;

WHEREAS, all acts and things necessary to make the Series 2021 Notes authorized by this Supplemental Master Indenture, when executed by the Company and authenticated and delivered by the Master Trustee as provided in the Original Master Indenture and this Supplemental Master Indenture, the valid, binding and legal obligations of the Company and to constitute these presents, together with the Original Master Indenture, a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Supplemental Master Indenture and the issuance of the Series 2021 Notes authorized by this Supplemental Master Indenture have in all respects been duly authorized;

NOW, THEREFORE, in order to declare the terms and conditions upon which the Series 2021 Notes authorized hereby are authenticated, issued and delivered, and in consideration of the premises and the acquisition and acceptance of the Series 2021 Notes by the Holders thereof, and in consideration of the mutual covenants, conditions and agreements which follow, the Company covenants and agrees with the Master Trustee as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms

. Words and terms used in this Supplemental Master Indenture and not otherwise defined herein shall, except as otherwise stated, have the meanings assigned to them in the Original Master Indenture.

Section 102. Designation of Participating Campuses. The Company hereby designates the following as "Participating Campuses" and the revenues and assets of these Participating Campuses shall, so long as any Debt is outstanding, be subject to all terms, covenants and restrictions contained in the Master Indenture and shall comprise all of part of the Trust Estate created therein:

(a) the Brilla campus located at 2336 Andrews Avenue N, Bonx, NY 10468 (the "***Andrews Campus***") financed by the Series 2021 Bonds and leased by the Company to

Brilla pursuant to that certain Sublease between the Company and Brilla, dated as of January 9, 2020, as the same may be amended from time to time;

(b) the Brilla campus located at 500 Courtlandt Avenue, Bronx, NY 10451 (the "***Courtlandt Campus***") financed by the Series 2021 Bonds and leased by the Company to Brilla pursuant to that certain Sublease between the Company and Brilla, dated as of November 15, 2016, as amended and restated pursuant to that certain First Amended and Restated Sublease, dated July 1, 2018, as the same may be further amended from time to time; and

(e) the Brilla Campus located at 413 East 144th Street, Bronx, NY 10454 (the "***East 144th Campus***") financed by the Series 2021 Bonds and leased by the Company to Brilla pursuant to that certain Sublease between the Company and Brilla, dated as of January 17, 2013, as amended by that certain First Amended and Restated Sublease, dated as of July 1, 2018, as the same may be further amended from time to time.

ARTICLE II

THE SERIES 2021 NOTES

Section 201. Authorization of Series 2021 Notes

.

(a) There is hereby created and authorized to be issued hereunder a Note, described as follows: "Tax-Exempt Master Indenture Note (Seton Education Partners) Series 2021AA" in the aggregate original principal amount of $_____, dated September 15, 2021, issued by the Company to the Issuer. The Series 2021A Note shall initially be issued and registered in the name of the Issuer, and then endorsed by the Issuer to the order of and registered in the name of the Bond Trustee, or its successors or assigns, and shall be executed, authenticated and delivered in accordance with Article II of the Original Master Indenture.

(b) There is hereby created and authorized to be issued hereunder a Note, described as follows: "Taxable Master Indenture Note (Seton Education Partners) Series 2021B" in the aggregate original principal amount of $_____, dated September 15, 2021, issued by the Company to the Issuer. The Series 2021B Note shall initially be issued and registered in the name of the Issuer, and then endorsed by the Issuer to the order of and registered in the name of the Bond Trustee, or its successors or assigns, and shall be executed, authenticated and delivered in accordance with Article II of the Original Master Indenture.

Section 202. Form of Series 2021 Notes

. The Series 2021 Notes shall be issued as fully-registered promissory notes in substantially the forms set forth in Exhibits "A" and "B" attached hereto.

Section 203. Payments on Series 2021 Notes

(a) The principal of the Series 2021 Notes shall be payable in the amounts and on the dates, and each of the unpaid installments of principal shall bear interest from the date of such Series 2021 Notes at the respective rates, and such Series 2021 Notes shall have such other terms and provisions as are set forth in or incorporated by reference from the Loan Agreement.

(b) The Company shall deposit or cause to be deposited into the Revenue Fund the Lease Revenues promptly upon each lease payment date as set forth in the Leases (on or about the first day of each month) for the Participating Campuses. Provided no Event of Default has occurred or is continuing, on the next Business Day immediately following receipt of the Lease Revenues, the Master Trustee shall transfer amounts in the Revenue Fund 1) to the Bond Trustee any amounts due and payable or any additional amounts then required to be on deposit with respect to the Bonds for the next ensuing month, first, for deposit in the Principal Account or Interest Account of the Bond Fund, second, to replenish the Debt Service Reserve Fund, and, third to pay any additional amounts owed by the Company, all in accordance with Section 4.3(a) of the Loan Agreement, and 2) to the Company the balance, if any, to be expended in its sole discretion.

Section 204. Credits on Series 2021 Notes

.

(a) The Company shall receive a credit against amounts due on the Series 2021 Notes on any payment date equal to the amounts paid as principal of (and premium, if any) or interest on the respective Series 2021 Bonds on such payment date, including a credit against any mandatory sinking fund redemption payments.

(b) Notwithstanding the provisions of subsection (a) above or any other provision herein or in the Original Master Indenture, if any payment on or with respect to the Series 2021 Bonds shall have been made by or on behalf of the Company and, by reason of bankruptcy or other act of insolvency, such payment shall be deemed to be a preferential payment, and the Bond Trustee shall be required by a court of competent jurisdiction to surrender such payment, any credit on the respective Series 2021 Notes that may have been given as a result of such payment shall be rescinded, and the amount owing on the respective Series 2021 Notes shall be calculated as if such payment shall not have been made.

Section 205. Interest on Overdue Installments

. The Series 2021 Notes shall bear interest on overdue installments of principal (premium, if any), and interest, to the extent permitted by law, at a rate equal to the applicable interest rate or rates borne by the respective Series 2021 Bonds.

Section 206. Registration, Transfer and Exchange

. The Series 2021 Notes shall be transferred or exchanged pursuant to Section 205 of the Original Master Indenture.

Section 207. Related Leasehold Mortgages

. That certain (i) Leasehold Mortgage and Security Agreement (with Assignment of Rents and Leases), dated as of _____, 2021, filed under Document No. _____ in the Official Public Records of Bronx County, New York, (ii) Leasehold Mortgage and Security Agreement (with Assignment of Rents and Leases), dated as of _____, 2021, filed under Document No. _____ in the Official Public Records of Bronx County, New York, and (iii) Leasehold Mortgage and Security Agreement (with Assignment of Rents and Leases), dated as of _____, 2021, filed under Document No. _____ in the Official Public Records of Bronx County, New York, as amended, restated, supplemented and/or otherwise modified, is made subject to the Trust Estate of the Master Indenture and secure the Series 2021 Notes under the Master Indenture, and the foregoing Leasehold Mortgage is deemed a Leasehold Mortgage and a Related Leasehold Mortgage under the Master Indenture with respect to the Series 2021 Notes.

ARTICLE III

REDEMPTION OR REDUCTION OF SERIES 2021 NOTES; SATISFACTION AND RELEASE

Section 301. Redemption

. The Series 2021 Notes shall be subject to redemption prior to Stated Maturity, to the extent and with respect to the corresponding redemption of the respective Series 2021 Bonds in accordance with the terms of the Bond Indenture. Notice of redemption of the Series 2021 Bonds shall, without further notice or action by the Master Trustee or the Company, constitute notice of redemption of the corresponding amounts of principal and interest due on the Series 2021 Notes and the same shall thereby become due and payable on the redemption date of the Series 2021 Bonds or at such earlier time as payment is required with respect thereto pursuant to the terms of the Bond Indenture.

Section 302. Partial Redemption or Reduction

. In the event of a partial redemption of the Series 2021 Notes pursuant to Section 301 hereof, the amount of the principal and interest on such Series 2021 Notes becoming due after such redemption shall, to the extent appropriate, be adjusted so that the installments of principal and interest thereafter due on the Series 2021 Notes correspond to the payments of the principal of and interest on the respective Outstanding Series 2021 Bonds.

Section 303. Effect of Call for Prepayment or Redemption

. On the date designated for prepayment or redemption by notice as herein provided, the Series 2021 Notes or the portion thereof so called for prepayment or redemption shall become

and be due and payable at the prepayment or redemption price provided for prepayments or redemption of such Series 2021 Notes or portion thereof on such date. If on the date fixed for prepayment or redemption, moneys for payment of the prepayment or redemption price and accrued interest on the Series 2021 Notes are held by the Master Trustee or the Bond Trustee, (i) interest on the Series 2021 Notes or portion thereof so called for prepayment or redemption shall cease to accrue, (ii) such Series 2021 Notes or portion thereof shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the money held by the Master Trustee or the Bond Trustee and (iii) the amount of such Series 2021 Notes or portion thereof so called for prepayment or redemption shall be deemed paid and no longer outstanding.

Section 304. Satisfaction and Release

. The Company's obligations with respect to the Series 2021 Notes shall be considered satisfied, and the Master Trustee shall release this Supplemental Master Indenture with respect thereto, when all amounts due and owing on the corresponding Series 2021 Bonds have been paid or deemed paid under the Bond Indenture.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 401. Representations and Warranties

. The Company represents and warrants that (a) it is duly authorized under the laws of the State of New York and all other applicable provisions of law to execute this Supplemental Master Indenture and to issue the Series 2021 Notes, (b) all corporate action on the part of the Company required by its organizational documents and the Original Master Indenture to establish this Supplemental Master Indenture as the binding obligation of the Company has been duly and effectively taken, and (c) all such action so required for the authorization and issuance of the Series 2021 Notes has been duly and effectively taken.

Section 402. Covenants under the Original Master Indenture and Related Bond Documents

. The Company covenants and agrees that so long as any portion of the Series 2021 Notes remains outstanding, it will deliver to the Bond Trustee all reports, opinions and other documents required by the Original Master Indenture to be submitted to the Master Trustee at the time said reports, opinions or other documents are required to be submitted to the Master Trustee, and that it will faithfully perform or cause to be performed at all times any and all covenants, agreements and undertakings required on the part of the Company contained in the Master Indenture and the Series 2021 Notes, and the Company hereby confirms its covenants and agrees with its undertakings in the Master Indenture.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 501. Notices

. Except as otherwise provided in the Original Master Indenture, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Original Master Indenture to be given to or filed with the parties if the same shall be delivered in person or duly mailed by certified, registered or first class mail addressed to Master Trustee at the following address:

The Bank of New York Mellon
240 Greenwich Street
New York, New York 10286
Attention: Corporate Trust

The Master Trustee will be deemed to have received notice upon receipt of such notice by the Responsible Officer of the Master Trustee.

Section 502. Ratification of Original Master Indenture

. The Original Master Indenture, as supplemented by this Supplemental Master Indenture, is in all respects ratified and confirmed and the Original Master Indenture as so supplemented shall be read, taken and construed as one and the same instrument. Except as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Original Master Indenture, as supplemented by this Supplemental Master Indenture, shall be deemed to be incorporated in, and made a part of, this Supplemental Master Indenture.

Section 503. Limitation of Rights

. Nothing in this Supplemental Master Indenture or in the Series 2021 Notes, express or implied, shall give or be construed to give any Person other than the Company, the Master Trustee and the respective registered Holders of the Series 2021 Notes or their assigns, any legal or equitable right, remedy or claim under or in respect of this Supplemental Master Indenture, or under any covenant, condition and provision herein contained, all its covenants, conditions and provisions being for the sole benefit of the Company, the Master Trustee and of the respective Holders or their assigns of the Series 2021 Notes.

Section 504. Binding Effect

. All the covenants, stipulations, promises and agreements in this Supplemental Master Indenture by or on behalf of the Company or the Master Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

Section 505. Severability Clause

. If any provision of this Supplemental Master Indenture shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reasons, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy.

Section 506. Execution in Counterparts

. This Supplemental Master Indenture may be executed in any number of counterparts, each of which shall be an original; and all of which shall together constitute but one and the same instrument.

Section 507. Governing Law

. This Supplemental Master Indenture shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Master Indenture to be duly executed by the persons thereunto duly authorized, as of the date and year first above written.

SETON EDUCATION PARTNERS

By:_____
Name: _____
Title: _____

THE BANK OF NEW YORK MELLON,
as Master Trustee

By:_____
Name: _____
Title: Vice President

EXHIBIT A

FORM OF TAX-EXEMPT MASTER INDENTURE NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933, AS AMENDED

Registered	UNITED STATES OF AMERICA	Registered
No. MRA-1	STATE OF NEW YORK	$_____

Interest Rate: AS SET FORTH HEREIN Maturity Date: _____

Issue Date: September 15, 2021

Registered Holder: BUILD NYC RESOURCE CORPORATION

Principal Amount: _____ MILLION _____ THOUSAND DOLLARS

Seton Education Partners, a Wyoming non-profit corporation (the "***Company***"), for value received, hereby promises to pay to the Holder named above, or registered assigns, the Principal Amount set forth above. The Company also promises to pay interest hereon from the Issue Date set forth above, or from the Interest Payment Date (as defined in the Indenture) to which interest has been paid or duly provided for, and on such other dates as may be required by the Loan Agreement referenced below until the principal hereof is paid or made available for payment. Principal of (and premium, if any) and interest on this Note are payable at the times and in the amounts described in Article IV of the Loan Agreement referred to below. The Company also promises to pay to the Holder hereof the obligations of the Company described in Section ____ of the Loan Agreement, hereinafter defined, at the times and the amounts specified therein.

1. Authorization of Note. This Note represents the duly authorized Note of the Company, in the principal amount stated above, designated as "Tax-Exempt Master Indenture Note (Seton Education Partners) Series 2021A" (this Note, together with all other Notes issued and secured under the Master Indenture, referred to collectively as the "***Notes***") issued under and pursuant to the Master Trust Indenture dated as of November 1, 2021, between the Company, acting in its own behalf, and The Bank of New York Mellon, as master trustee (the "***Master Trustee***"), as supplemented, including the Supplemental Master Trust Indenture No. 1, dated as of November 1, 2021, between the Company, acting on its own behalf and the Master Trustee (collectively, being herein called the "***Master Indenture***"). This Note is issued for the purpose of securing the obligations of the Company under a Loan Agreement dated as of November 1, 2021 (the "***Loan Agreement***"), entered into between the Company and Build NYC Resource Corporation (the "***Issuer***") in connection with the issuance and sale of revenue bonds of the Issuer in the principal amount of $_____,000 designated Education Facility Lease Revenue Bonds (Seton Education Partners—Brilla College Preparatory Charter Schools Project) Series 2021A (the "***Series 2021A Bonds***"), issued under and pursuant to the Constitution and laws of the State of New York and an Indenture of Trust, dated as of November 1, 2021 (the "***Indenture***"), between the Issuer and The Bank of New York Mellon, as trustee (the "***Bond Trustee***").

It is provided in the Master Indenture that the Company has and may hereafter issue additional Notes from time to time, and if issued, such additional Notes will rank pari passu with this Note and all other Notes heretofore or hereafter issued under the Master Indenture, except as otherwise provided in the Supplemental Master Indenture authorizing such Note and Master Indenture.

Copies of the Master Indenture, the Indenture and the Loan Agreement are on file at the Corporate Trust Office of the Master Trustee and reference is hereby made to the Master Indenture, the Indenture and the Loan Agreement for the provisions, among others, with respect to the nature and extent of the security for and the rights of the registered Holders of this Note, the terms and conditions on which, and purposes for which, this Note is issued and the rights, duties and obligations of the Company and the Master Trustee under the Master Indenture, to all of which the Holder hereof, by acceptance of this Note assents. The Master Indenture may be modified, amended or supplemented only to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Master Indenture.

2. Payment. Interest on this Note which is payable, and is to be punctually paid or duly provided for, on each Interest Payment Date, will, as provided in the Master Indenture, be paid to the Person in whose name this Note is registered at the close of business on the regular Record Date for such interest, which shall be the Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder of this Note on such regular Record Date, and shall be paid to the Person in whose name this Note is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Master Trustee, notice whereof shall be given to Holder of this Note not less than 10 days prior to such special record date.

Interest on this Note shall be paid to the Holder of this Note at its address as it appears on the registration books of the Master Trustee by wire transfer of immediately available funds or in such other manner as may be mutually acceptable to the Master Trustee and the registered Holder of this Note.

Principal and the redemption price of this Note shall be payable to the Holder of this Note at the designated payment office of the Master Trustee located in New York, New York (the "***Place of Payment***") upon the surrender for cancellation of this Note.

If the specified date for any such payment shall be a Saturday, a Sunday or a legal holiday or the equivalent for banking institutions generally (other than legal moratorium) at the place where payment thereof is to be made, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. Redemption. This Note is subject to redemption only in connection with the redemption of a related amount of Series 2021A Bonds as described in the Indenture referenced above.

4. Defeasance of Note. This Note is subject to defeasance as provided in the Master Indenture.

5. Limitations of Rights. The Holder of this Note shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

6. Transfer of Note. This Note is transferable by the registered Holder hereof in person or by duly authorized attorney at the designated payment office of the Master Trustee, but only to a successor Bond Trustee for the Bondholders (as defined in the Bond Indenture) in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Note. Upon such transfer a new registered Note will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered Holder hereof as the absolute Holder hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

7. Certain Rights of Holders. If an Event of Default, as defined in the Master Indenture, shall occur, the principal of this Note and any additional Notes may be declared due and payable in the manner and with the effect provided in the Master Indenture. To the extent permitted by law, the indebtedness of the Company under the Loan Agreement and this Note may be separately and independently accelerated with or without an acceleration of the Series 2021A Bonds.

The Master Indenture permits, with certain exceptions as therein provided, the amendment of the Master Indenture and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes under the Master Indenture at any time with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time Outstanding, as defined in the Master Indenture. The Master Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, as defined in the Master Indenture, on behalf of the Holders of all the Notes, to waive compliance by the Company or its affiliates with certain provisions of the Master Indenture and certain past defaults under the Master Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the transfer hereof or in exchange therefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Master Indenture and no provision of this Note or of the Master Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of this Note at the times, place, and rate, and in the coin or currency, herein prescribed from the sources herein described.

8. Usury. In no event shall the amount of interest (as defined and calculated in accordance with applicable law) contracted for, charged, reserved, received or taken in connection with the loan exceed the amount of interest which could have been contracted for, charged, reserved, received or taken at the Highest Lawful Rate as defined in the Loan Agreement. If the applicable law is ever judicially interpreted so as to render usurious any amount contracted for, charged, reserved, received or taken in connection with the loan, or if the exercise of the option contained in the Master Indenture or otherwise to accelerate the maturity of the loan or if any prepayment of the loan by the Company results in there having been paid or received any interest in excess of that permitted by applicable law, then notwithstanding anything to the contrary contained in the Bond Documents, the Loan Agreement provides that all excess amounts theretofore paid or received shall be credited on the principal balance of the loan (or, if the loan has been or would thereby be paid in full, refunded), and the provisions of the Loan Agreement shall immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder.

9. No Recourse. No recourse shall be had for the payment of the principal of or premium or interest on this Note or for any claim based thereon or upon any obligation, covenant or agreement in the Master Indenture contained, against any past, present or future officer, trustee, director, member, employee or agent of the Company, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Note.

10. Authentication of Note. This Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Note shall have been authenticated by execution by the Master Trustee of the Certificate of Authentication inscribed hereon.

11. Waiver of Presentment or Notice. The Company hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Company.

IT IS CERTIFIED that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolutions of the Company.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

SETON EDUCATION PARTNERS

By:_____
Name: _____
Title: _____

ASSIGNMENT

For value received, the undersigned hereby assigns to The Bank of New York Mellon, as Bond Trustee (the "***Bond Trustee***") under an Indenture of Trust dated as of November 1, 2021 between the Bond Trustee and the undersigned, the within Note and all its rights thereunder without recourse or warranty, except warranty of good title and warranty that the Issuer has not assigned this Note to a person other than the Bond Trustee and that the principal amount remains unpaid under this Note.

BUILD NYC RESOURCE CORPORATION

By: _____
Emily Marcus
Deputy Executive Director

(Form of Certificate of Authentication to
appear on each Note)

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the Master Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON,
as Master Trustee

By:_____
Authorized Signature

EXHIBIT B

FORM OF TAXABLE MASTER INDENTURE NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933, AS AMENDED

Registered	UNITED STATES OF AMERICA	Registered
No. MRBA-1	STATE OF NEW YORK	$___,000

Interest Rate: AS SET FORTH HEREIN Maturity Date: February 15, 20__

Issue Date: September 15, 2021

Registered Holder: BUILD NYC RESOURCE CORPORATION

Principal Amount: _____ THOUSAND DOLLARS

Seton Education Partners, a Wyoming non-profit corporation (the "***Company***"), for value received, hereby promises to pay to the Holder named above, or registered assigns, the Principal Amount set forth above. The Company also promises to pay interest hereon from the Issue Date set forth above, or from the Interest Payment Date (as defined in the Indenture) to which interest has been paid or duly provided for, and on such other dates as may be required by the Loan Agreement referenced below until the principal hereof is paid or made available for payment. Principal of (and premium, if any) and interest on this Note are payable at the times and in the amounts described in Article IV of the Loan Agreement referred to below. The Company also promises to pay to the Holder hereof the obligations of the Company described in Section 4.1 of the Loan Agreement, hereinafter defined, at the times and the amounts specified therein.

1. Authorization of Note. This Note represents the duly authorized Note of the Company, in the principal amount stated above, designated as "Taxable Master Indenture Note (Seton Education Partners) Series 2021B" (this Note, together with all other Notes issued and secured under the Master Indenture, referred to collectively as the "***Notes***") issued under and pursuant to the Master Trust Indenture dated as of November 1, 2021, between the Company, acting in its own behalf, and The Bank of New York Mellon, as master trustee (the "***Master Trustee***"), as supplemented, including the Supplemental Master Trust Indenture No. 1, dated as of November 1, 2021, between the Company, acting on its own behalf and the Master Trustee (collectively, being herein called the "***Master Indenture***"). This Note is issued for the purpose of securing the obligations of the Company under a Loan Agreement dated as of November 1, 2021 (the "***Loan Agreement***"), entered into between the Company and Build NYC Resource Corporation (the "***Issuer***") in connection with the issuance and sale of revenue bonds of the Issuer in the principal amount of $___,000 designated Education Facility Lease Revenue Bonds (Seton Education Partners—Brilla College Preparatory Charter Schools Project) Taxable Series 2021B (the "***Series 2021B Bonds***"), issued under and pursuant to the Constitution and laws of the State of New York and an Indenture of Trust, dated as of November 1, 2021 (the "***Indenture***"), between the Issuer and The Bank of New York Mellon, as trustee (the "***Bond Trustee***").

It is provided in the Master Indenture that the Company has and may hereafter issue additional Notes from time to time, and if issued, such additional Notes will rank pari-passu with this Note and all other Notes heretofore or hereafter issued under the Master Indenture, except as otherwise provided in the Supplemental Master Indenture authorizing such Note and Master Indenture.

Copies of the Master Indenture, the Indenture and the Loan Agreement are on file at the Corporate Trust Office of the Master Trustee and reference is hereby made to the Master Indenture, the Indenture and the Loan Agreement for the provisions, among others, with respect to the nature and extent of the security for and the rights of the registered Holders of this Note, the terms and conditions on which, and purposes for which, this Note is issued and the rights, duties and obligations of the Company and the Master Trustee under the Master Indenture, to all of which the Holder hereof, by acceptance of this Note assents. The Master Indenture may be modified, amended or supplemented only to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Master Indenture.

2. Payment. Interest on this Note which is payable, and is to be punctually paid or duly provided for, on each Interest Payment Date, will, as provided in the Master Indenture, be paid to the Person in whose name this Note is registered at the close of business on the regular Record Date for such interest, which shall be the Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder of this Note on such regular Record Date, and shall be paid to the Person in whose name this Note is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Master Trustee, notice whereof shall be given to Holder of this Note not less than 10 days prior to such special record date.

Interest on this Note shall be paid to the Holder of this Note at its address as it appears on the registration books of the Master Trustee by wire transfer of immediately available funds or in such other manner as may be mutually acceptable to the Master Trustee and the registered Holder of this Note.

Principal and the redemption price of this Note shall be payable to the Holder of this Note at the designated payment office of the Master Trustee located in New York, (the "***Place of Payment***") upon the surrender for cancellation of this Note.

If the specified date for any such payment shall be a Saturday, a Sunday or a legal holiday or the equivalent for banking institutions generally (other than legal moratorium) at the place where payment thereof is to be made, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. Redemption. This Note is subject to redemption only in connection with the redemption of a related amount of Series 2021B Bonds as described in the Indenture referenced above.

4. Defeasance of Note. This Note is subject to defeasance as provided in the Master Indenture.

5. Limitations of Rights. The Holder of this Note shall have no right to enforce the provisions of the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

6. Transfer of Note. This Note is transferable by the registered Holder hereof in person or by duly authorized attorney at the designated payment office of the Master Trustee, but only to a successor Bond Trustee for the Bondholders (as defined in the Bond Indenture) in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Note. Upon such transfer a new registered Note will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered Holder hereof as the absolute Holder hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

7. Certain Rights of Holders. If an Event of Default, as defined in the Master Indenture, shall occur, the principal of this Note and any additional Notes may be declared due and payable in the manner and with the effect provided in the Master Indenture. To the extent permitted by law, the indebtedness of the Company under the Loan Agreement and this Note may be separately and independently accelerated with or without an acceleration of the Series 2021A Bonds.

The Master Indenture permits, with certain exceptions as therein provided, the amendment of the Master Indenture and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes under the Master Indenture at any time with the consent of the Holders of not less than a majority in aggregate principal amount of the Notes at the time Outstanding, as defined in the Master Indenture. The Master Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, as defined in the Master Indenture, on behalf of the Holders of all the Notes, to waive compliance by the Company or its affiliates with certain provisions of the Master Indenture and certain past defaults under the Master Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the transfer hereof or in exchange therefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Master Indenture and no provision of this Note or of the Master Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of this Note at the times, place, and rate, and in the coin or currency, herein prescribed from the sources herein described.

8. Usury. In no event shall the amount of interest (as defined and calculated in accordance with applicable law) contracted for, charged, reserved, received or taken in connection with the loan exceed the amount of interest which could have been contracted for, charged, reserved, received or taken at the Highest Lawful Rate as defined in the Loan Agreement. If the applicable law is ever judicially interpreted so as to render usurious any amount contracted for, charged, reserved, received or taken in connection with the loan, or if the exercise of the option contained in the Master Indenture or otherwise to accelerate the maturity of the loan or if any prepayment of the loan by the Company results in there having been paid or received any interest in excess of that permitted by applicable law, then notwithstanding anything to the contrary contained in the Bond Documents, the Loan Agreement provides that all excess amounts theretofore paid or received shall be credited on the principal balance of the loan (or, if the loan has been or would thereby be paid in full, refunded), and the provisions of the Loan Agreement shall immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder.

9. No Recourse. No recourse shall be had for the payment of the principal of or premium or interest on this Note or for any claim based thereon or upon any obligation, covenant or agreement in the Master Indenture contained, against any past, present or future officer, trustee, director, member, employee or agent of the Company, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Note.

10. Authentication of Note. This Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Note shall have been authenticated by execution by the Master Trustee of the Certificate of Authentication inscribed hereon.

11. Waiver of Presentment or Notice. The Company hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Company.

IT IS CERTIFIED that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolutions of the Company.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

SETON EDUCATION PARTNERS

By:_____
Name: _____
Title: _____

ASSIGNMENT

For value received, the undersigned hereby assigns to The Bank of New York Mellon, as Bond Trustee (the "***Bond Trustee***") under an Indenture of Trust dated as of November 1, 2021 between the Bond Trustee and the undersigned, the within Note and all its rights thereunder without recourse or warranty, except warranty of good title and warranty that the Issuer has not assigned this Note to a person other than the Bond Trustee and that the principal amount remains unpaid under this Note.

BUILD NYC RESOURCE CORPORATION

By: _____
Emily Marcus
Deputy Executive Director

(Form of Certificate of Authentication to
appear on each Note)

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the Master Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON,
as Master Trustee

By:_____
Authorized Signature

APPENDIX E

FORM OF BOND INDENTURE

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BUILD NYC RESOURCE CORPORATION,
a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of
The City of New York, having its principal office at One Liberty Plaza,
New York, New York 10006,
as "Issuer",

TO

THE BANK OF NEW YORK MELLON,
a banking corporation organized and existing under the laws of the State of New York, having a corporate trust office at 240 Greenwich Street, New York, New York 10286, together with any successor trustee at the time serving as such under this Indenture of Trust, as Trustee

INDENTURE OF TRUST

Dated as of November 1, 2021

$14,595,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds, Series 2021A
(Seton Education Partners – Brilla Project)

$650,000
Build NYC Resource Corporation
Taxable Revenue Bonds, Series 2021B
(Seton Education Partners – Brilla Project)

INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of the date set forth on the cover page hereof (as the same may be amended and supplemented in accordance with its terms, this "**Indenture**"), by and between **BUILD NYC RESOURCE CORPORATION**, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at One Liberty Plaza, New York, New York 10006, party of the first part, to **THE BANK OF NEW YORK MELLON**, a banking corporation organized and existing under the laws of the State of New York, together with any successor trustee at the time serving as such under this Indenture of Trust, having a corporate trust office at 240 Greenwich Street, New York, New York 10286, party of the second part (capitalized terms used herein shall have the respective meanings assigned to such terms throughout this Indenture),

WITNESSETH:

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

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

WHEREAS, the Institution has entered into negotiations with officials of the Issuer for the Issuer's assistance with a tax-exempt and taxable 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, the Institution has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Initial Bonds by (i) the issuance of the Institution's Obligation No. 1, dated November 23, 2021 (the "**Obligation No. 1**"), pursuant to the terms of the Master Trust Indenture, dated as of November 1, 2021 (the "**Master Trust Indenture**"), by and between the Institution and The Bank of New York Mellon, as master trustee (the "**Master Trustee**"), as amended and supplemented, including as amended and supplemented by (i) the Supplemental Indenture for Obligation No. 1, dated as of November 1, 2021 (the "**Supplement No. 1**"; and, together with the Master Trust Indenture, the "**Master Indenture**"), which Obligation No. 1, with the Loan Agreement, will each be assigned by the Issuer to the Trustee pursuant to this Indenture as security for the Initial Bonds; and

WHEREAS, concurrently with the execution hereof, in order to further secure Obligation No. 1 and all Obligations issued pursuant to the Master Indenture, the Institution will grant mortgage liens on and security interests in its leasehold interests in the Mortgaged Property to the Issuer and the Master Trustee pursuant to the Mortgage, and the Issuer will assign its right, title and interest under the Mortgage to the Master Trustee pursuant to the Assignment of 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 Initial Bonds when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal special limited revenue obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid pledge and assignment of the loan payments, revenues and receipts herein made to the payment of the principal, Purchase Price or Redemption Price of, Sinking Fund Installments for, and interest on the Initial Bonds, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of the Initial 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 Initial Bonds by the Holders and owners thereof, and of the sum of One Dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure the payment of the principal, Purchase Price or Redemption Price of, and Sinking Fund Installments for, the Initial Bonds and the indebtedness represented thereby and the interest on the Initial 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 Initial Bonds, does hereby grant, bargain, convey, transfer, grant a security interest in, pledge and assign unto the Trustee, and unto its respective successors in trust, and to their respective assigns, for the benefit of the Bondholders, forever for the securing of the performance of the obligations of the Issuer hereinafter set forth, the following:

GRANTING CLAUSES

I

All right, title and interest of the Issuer in and to the Loan Agreement, including all loan payments, revenues and receipts payable or receivable thereunder, excluding, however, the Issuer's Reserved Rights, which Issuer's Reserved Rights may be enforced by the Issuer and the Trustee, jointly or severally.

II

All right, title and interest of the Issuer in and to the Promissory Note and Obligation No. 1 issued by the Institution.

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 Project Fund, the Renewal Fund, the Bond Fund, the Debt Service Reserve Fund or any special fund, and all investment earnings of any of the foregoing, subject to disbursements from the Debt Service Reserve Fund, the Project Fund, the Renewal Fund or any such special fund in accordance with the provisions of the Loan Agreement and this Indenture; provided, however, there is hereby expressly excluded from any assignment, pledge, lien or security interest 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, by the Issuer or by any other Person, with or without the consent of the Issuer, to the Trustee which is hereby authorized to

receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended so to be, to the Trustee and its successors in said Trust and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all Holders and owners of the Initial Bonds issued under and secured by this Indenture, without privilege, priority or distinction as to lien or otherwise of any of the Initial Bonds over any of the others of the Initial 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 Initial Bonds and the interest due or to become due thereon, at the times and in the manner provided in the Initial 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 Initial Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said loan payments, revenues and receipts hereby pledged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Holders and owners, from time to time of the Initial Bonds or any part thereof, as follows, that is to say:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions

. Unless otherwise herein defined, the following capitalized terms shall have the respective meanings specified in this Section 1.01 for purposes of this Indenture.

Additional Bonds shall mean one or more Series of additional bonds issued, executed, authenticated and delivered under this Indenture.

An **Affiliate** of a Person shall mean a Person that directly or indirectly through one or more intermediaries Controls, or is under common Control with, or is Controlled by, such Person.

Andrews Avenue North Facility shall mean an approximately 70,000 square foot facility located at 2336 Andrews Avenue North, Bronx, New York, for use by the Organization in the providing of education services to students for the Brilla Pax Elementary School and the Brilla Caritas Elementary School.

Andrews Avenue North Lease Agreement shall mean that certain Lease between the Roman Catholic Church of St. Nicholas of Tolentine and the Institution, dated as of October 1, 2019, as the same may be amended from time to time.

Andrews Avenue North Sublease Agreement shall mean that certain Sublease between the Institution and the Organization, dated as of January 9, 2020, as the same may be amended from time to time.

Approved Facility shall mean the Facilities as owned by the Institution and occupied, used and operated by the Organization 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 collectively, the Andrews Avenue North Facility, the Courtlandt Avenue Facility and the East 144th Street Facility for use in providing education services to students but not for purposes prohibited by the Tax Regulatory Agreement.

Assignment of Lease shall mean collectively, (i) the Assignment of Lease (Andrews Avenue North Facility), (ii) the Assignment of Lease (Courtlandt Avenue Facility), and (iii) the Assignment of Lease (East 144th Street Facility) relating to the Facility, each dated as of even date herewith, and each from the Institution to the Master Trustee and acknowledged by the Organization.

Assignment of Mortgage shall mean collectively, the Assignment of Leasehold Mortgage and Security Agreement (Andrews Avenue North Facility), the Assignment of Leasehold Mortgage and Security Agreement (Courtlandt Avenue Facility) and the Assignment of Leasehold Mortgage and Security Agreement (East 144th Street Facility) relating to the Facilities,

each dated as of even date herewith, and each from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Authorized Denomination shall mean, (i) in the case of the Initial Bonds, $100,000 or any integral multiple of $5,000 in excess thereof, and (ii) in the case of any Additional Bonds, such denominations as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Authorized Principal Amount shall mean, (i) in the case of the Series 2021A Bonds, $14,595,000, (ii) in the case of the Series 2021B Bonds, $650,000, and (iii) in the case of any Additional Bonds, such authorized principal amount as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C - "Authorized Representative" to the Loan Agreement or any other officer or employee of the Institution who is authorized to perform specific duties under the Loan Agreement or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of the Loan Agreement or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Beneficial Owner shall mean, whenever used with respect to an Initial Bond, the Person in whose name such Initial Bond is recorded as the Beneficial Owner of such Initial Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Initial Bonds are not held in the Book-Entry System, Beneficial Owner shall mean "Holder" for purposes of the Security Documents.

Bond Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Bondholder, **Holder of Bonds**, **Holder** or **holder** shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bond Purchase Agreement shall mean the Bond Purchase Agreement, dated November 10, 2021, among the Institution, the Organization, the Issuer and the Underwriter.

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

Bond Resolution shall mean the resolution of the Issuer adopted on April 27, 2021, authorizing the Project and the issuance of the Initial Bonds.

Bonds shall mean the Initial Bonds and any Additional Bonds.

Business Day shall mean any day that shall not be:

(i) a Saturday, Sunday, or legal holiday;

(ii) a day on which banking institutions in the City are authorized by law or executive order to close; or

(iii) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is closed.

City shall mean The City of New York, New York.

Closing Date shall mean November 23, 2021, the date of the initial issuance and delivery of the Initial Bonds.

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

Completed Improvements Square Footage shall mean (i) with respect to the Andrews Avenue North Facility, approximately 70,000 square feet, (ii) with respect to the Courtlandt Avenue Facility, approximately 17,571 square feet, and (iii) with respect to the East 144th Street Facility, approximately 20,700 square feet, of the Improvements of the Project.

Computation Date shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Computation Period shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Conduct Representation shall mean any representation by the Institution under Section 2.2(t) of the Loan Agreement, or by any other Person in any Required Disclosure Statement delivered to the Issuer.

Control or **Controls**, including the related terms "controlled by" and "under common control with", shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

Costs of Issuance shall mean issuance costs with respect to the Initial Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: Underwriter's fee; counsel fees (including bond counsel, counsel to the Underwriter, Trustee's counsel, Issuer's counsel, Institution's counsel, Organization's counsel, as well as any other specialized counsel fees incurred in connection with the borrowing); financial

advisor fees of any financial advisor to the Issuer, the Institution or the Organization incurred in connection with the issuance of the Initial Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Regulatory Agreement); Rating Agency fees; Trustee and Paying Agent fees; accountant fees and other expenses related to issuance of the Initial Bonds; printing costs (for the Initial Bonds and of the preliminary and final offering documents relating to the Initial Bonds); public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Initial Bonds; Blue Sky fees and expenses; and similar costs.

Courtlandt Avenue Facility shall mean an approximately 17,571 square foot facility located at 500 Courtlandt Avenue, Bronx, New York, for use by the Organization in the providing of education services to students for the Brilla College Prep Middle School.

Courtlandt Avenue Lease Agreement shall mean shall mean that certain Lease between the Church of St. Pius, Borough of Bronx, N.Y. City and the Institution, dated as of August 1, 2016, as the same may be amended from time to time.

Courtlandt Avenue Sublease Agreement shall mean that certain Sublease between the Institution and the Organization, dated as of November 15, 2016, as amended and restated pursuant to that certain First Amended and Restated Sublease, dated July 1, 2018, as the same may be amended from time to time.

Debt Service Reserve Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of this Indenture.

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

(a) with respect to the Series 2021A Bonds, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments or any combination thereof) equal to the lesser of:

(i) ten percent (10%) of the Stated Principal Amount (as defined in the Tax Regulatory Agreement) of the Outstanding Series 2021A Bonds;

(ii) 100% of the greatest amount required in the then current or any future calendar year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2021A Bonds; or

(iii) 125% of the average annual amount required in the then current or any future calendar year to pay the sum of scheduled principal and interest on Outstanding Series 2021A Bonds.

(b) with respect to the Series 2021B Bonds $65,000.

(c) with respect to any Series of Additional Bonds, such amount as shall be set forth in the Supplemental Indenture entered into in connection with the issuance of such Additional Bonds.

Debt Service Reserve Fund Valuation Date shall mean January 15 and July 15 of each year, commencing on January 15, 2022.

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

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

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, after the Closing Date, to the effect that the interest payable on the Series 2021A 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 Series 2021A 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 Series 2021A 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) of this definition shall be considered to exist unless (1) the Holder or former Holder of the Series 2021A 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. A Series 2021A Bondholder shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (ii) above, at the expense of the Institution, upon delivery by the Bondholder to the Institution of a letter from the Bondholder's accountant stating that, in his or her reasonable opinion, interest on the Series 2021A Bonds is includable in the gross income of such Bondholder for federal income tax purposes and stating the reasons for such determination. No Determination of Taxability described above will result from the inclusion of interest on any Series 2021A Bond in the computation of minimum or indirect taxes.

DTC shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

East 144th Street Facility shall mean an approximately 20,700 square foot facility located at 413 East 144th Street, Bronx, New York, for use by the Organization in the providing of education services to students for the Brilla College Prep Elementary School.

East 144th Street Lease Agreement shall mean that certain Lease between the Church of St. Pius, Borough of Bronx, N.Y. City and the Institution, dated as of January 17, 2013, as the same may be amended from time to time.

East 144th Street Sublease Agreement shall mean collectively, that certain Sublease between the Institution and the Organization, dated as of January 17, 2013, as amended by that certain First Amended and Restated Sublease, dated as of July 1, 2018, as the same may be amended from time to time.

Entity shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

Event of Default shall have the meaning specified in Section 8.01(a).

Event of Taxability shall mean the date specified in a Determination of Taxability as the date interest paid or payable on any Series 2021A Bond becomes includable for federal income tax purposes in the gross income of any Series 2021A Bondholder thereof as a consequence of any act, omission or event whatsoever, including any change of law, and regardless of whether the same was within or beyond the control of the Institution.

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

Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Bonds for installation or use at the Facility Realty as part of the Project pursuant to Section 3.2 of the Loan Agreement and described in Exhibit B - "Description of the Facility Personalty", together with all repairs, replacements, improvements, substitutions

and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Facility Personalty and exclude all items of Facility Personalty so substituted for or replaced, and further exclude all items of Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

Facility Realty shall mean, collectively, the Land and the Improvements.

Fitch shall mean Fitch, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

GAAP shall mean those generally accepted accounting principles and practices that are recognized as such by the American Institute of Certified Public Accountants or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof, and that are consistently applied for all periods, after the Closing Date, so as to properly reflect the financial position of the Institution, except that any accounting principle or practice required to be changed by the Financial Accounting Standards Board (or other appropriate board or committee of the said Board) in order to continue as a generally accepted accounting principle or practice may be so changed.

Governing Body shall mean, when used with respect to any Entity, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Entity are exercised.

Government Obligations shall mean the following:

(i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above.

Improvements shall mean:

(i) all buildings, structures, foundations, related facilities, fixtures and other improvements of every nature whatsoever existing on the Closing Date and hereafter erected or situated on the Land;

(ii) any other buildings, structures, foundations, related facilities, fixtures and other improvements constructed or erected on the Land; and

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

Indenture shall mean this Indenture of Trust, dated as of November 1, 2021, between the Issuer and the Trustee, as from time to time amended or supplemented by Supplemental Indentures in accordance with Article XI.

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).

Initial Bonds shall mean collectively, the Series 2021A Bonds and the Series 2021B Bonds authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Institution shall mean Seton Education Partners, a not-for-profit corporation organized and existing under the laws of the State of Wyoming, and its successors and assigns; provided, however, that nothing contained in this definition shall be deemed to limit or modify the obligations of the Institution under Section 8.9 or 8.20.

Institution Documents shall mean collectively, the Bond Purchase Agreement, this Agreement, each Promissory Note, each Mortgage, the Master Trust Indenture and Security Agreement, the Supplement Master Trust Indenture No. 1, the Master Covenant Agreement, the the Continuing Disclosure Agreement, each Prime Lease, each Sublease Agreement, each Assignment of Lease, the Tax Regulatory Agreement, and any other Project Documents to which the Institution is a party, each as may be amended from time to time.

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01.

Interest Payment Date shall mean, with respect to the Initial Bonds, November 1 and May 1 of each year, commencing May 1, 2022, and with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

Issuer shall mean Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and its successors and assigns.

Issuer's Reserved Rights shall mean, collectively,

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under the Loan Agreement;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under the Loan Agreement;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the Institution under the Loan Agreement to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Institution under the Loan Agreement with respect to ensuring that the Facility shall always constitute the Approved Facility;

(v) the right of the Issuer to amend with the Institution the provisions of Section 5.1 of the Loan Agreement without the consent of the Trustee or any Bondholder;

(vi) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under the following Articles and Sections of the Loan Agreement: Article III (except for Section 3.1), Sections 4.4, 4.5 and 4.6, Article V, Article VI, Article VIII (except for Section 8.26), Article IX, Article X and Sections 11.1, 11.3 and 11.5, and Article XII (except Section 12.2); and

(vii) the right of the Issuer in its own behalf to declare a default with respect to any of the Issuer's Reserved Rights and exercise the remedies set forth in Section 9.2(b) of the Loan Agreement.

Land shall mean collectively, that certain lot, piece or parcel of land in the Borough of Bronx, Tax Block 3218 and Lot p/o 35, generally known by the street address 2336 Andrews Avenue North, Bronx, New York, that certain lot, piece or parcel of land in the Borough of Bronx, Tax Block 2327 and Lot 31, generally known by the street address 500 Courtlandt Avenue, Bronx, New York, that certain lot, piece or parcel of land in the Borough of Bronx, Tax Block 2289 and Lot 75, generally known by the street address 413 East 144th Street, Bronx, New York, all as more particularly described in Exhibit A — "Description of the Land", together with all easements, rights and interests now or hereafter appurtenant or beneficial thereto; but excluding, however, any real property or interest therein released pursuant to Section 8.10(c).

Land Square Footage shall mean collectively, (i) with respect to the Andrews Avenue North Facility approximately 70,000 square feet, (ii) with respect to the Courtlandt Avenue Facility approximately 17,571 square feet, and (iii) with respect to the East 144th Street Facility approximately 28,478 square feet.

Legal Requirements shall mean the Constitutions of the United States and the State of New York and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates of occupancy, directions and requirements (including zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wage, living wage, prevailing wage, sick leave, healthcare, benefits and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including those of the City, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the Institution, (ii) the Facility or any part thereof, or (iii) any use or condition of the Facility or any part thereof.

Loan shall mean the loan made by the Issuer to the Institution pursuant to the Loan Agreement as described in Section 4.1 thereof.

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

Loan Payment Date shall mean November 1 and May 1 of each year, commencing May 1, 2022.

Loss Event shall have the meaning specified in Section 6.1 of the Loan Agreement.

Majority Holders shall mean the Beneficial Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, or, if the Bonds shall cease to be in book-entry form, the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding.

Master Covenant Agreement, shall mean the Master Covenant Agreement, dated as of November 1, 2021, between the Organization, the Institution and the Master Trustee, as may be amended or supplemented from time to time.

Master Trustee shall mean The Bank of New York Mellon, its successors and/or assigns.

Master Trust Indenture and Security Agreement shall mean the Master Trust Indenture and Security Agreement, dated as of November 1, 2021, between the Institution and the Master Trustee, as from time to time amended or supplemented by Supplemental Indentures.

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 Leasehold Mortgage and Security Agreement (Andrews Avenue North Facility), the Leasehold Mortgage and Security Agreement (Courtlandt Avenue Facility) and the Leasehold Mortgage and Security Agreement (East 144th Street Facility) relating to the respective Facility, each dated as of even date herewith, and each from the Institution to the Issuer and the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Master Indenture.

Mortgaged Property shall have the meaning specified in the Mortgage.

Nationally Recognized Bond Counsel shall mean Nixon Peabody LLP or other counsel acceptable to the Issuer and the Trustee and experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

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

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

Obligations shall mean those obligations entered into under the Master Trust Indenture to secure the obligations of the Institution.

Obligation No. 1 shall mean Obligation No. 1, dated November 23, 2021, issued pursuant to the Supplemental Indenture for Obligation No. 1 as security for the Initial Bonds.

Opinion of Counsel shall mean a written opinion of counsel for the Institution or any other Person (which counsel shall be reasonably acceptable to the Issuer and the Trustee) with respect to such matters as required under any Project Document or as the Issuer or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Issuer and the Trustee.

Organization shall mean Brilla College Preparatory Charter Schools, a New York not-for-profit education corporation, exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Organization Documents shall mean, collectively, the Bond Purchase Agreement, the Use Agreement, the Tax Regulatory Agreement, the Master Covenant Agreement, the Continuing Disclosure Agreement, the Sublease Agreements, and the Acknowledgement to each Assignment of Lease Agreement.

Organizational Documents shall mean, (i) in the case of an Entity constituting a limited liability company, the articles of organization or certificate of formation, and the operating agreement of such Entity, (ii) in the case of an Entity constituting a corporation, the charter, articles of incorporation or certificate of incorporation, and the bylaws of such Entity, and (iii) in the case of an Entity constituting a general or limited partnership, the partnership agreement of such Entity.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under this Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under this Indenture for cancellation;

(ii) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Article X, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(A) moneys, and/or

(B) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in this Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III,

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any other Security Document, Bonds owned by the Institution or any Affiliate of the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Institution or any Affiliate of the Institution.

Participants shall mean those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to this Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to this Indenture.

Permitted Encumbrances shall mean:

(i) the Mortgage (as assigned by the Assignment of Mortgage), the Prime Lease, the Sublease Agreement and any other Project Document;

(ii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not yet due and payable;

(iii) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien, security interest, encumbrance or charge or right in respect thereof, placed on or with respect to the Facility or any part thereof, if payment is not yet due and payable, or if such payment is being disputed pursuant to Section 8.11(b) of the Loan Agreement;

(iv) utility, access and other easements and rights of way, restrictions and exceptions that an Authorized Representative of the Institution certifies to the Issuer and the Trustee will not materially interfere with or impair the Institution's use and enjoyment of the Facility as provided in the Loan Agreement;

(v) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property similar in character to the Facility as do not, as set forth in a certificate of an Authorized Representative of the Institution delivered to the Issuer and the Trustee, either singly or in the aggregate, render title to the Facility unmarketable or materially impair the property affected thereby for the purpose for which it was acquired or purport to impose liabilities or obligations on the Issuer;

(vi) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 of the Loan Agreement insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee;

(vii) liens arising by reason of good faith deposits with the Institution in connection with the tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Institution to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(viii) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements;

(ix) any judgment lien against the Institution, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed;

(x) any purchase money security interest in movable personal property, including equipment leases and financing;

(xi) liens on property due to rights of governmental entities or third party payors for recoupment of excess reimbursement paid;

(xii) a lien, restrictive declaration or performance mortgage with respect to the operation of the Facility arising by reason of a grant or other funding received by the Institution from the City, the State or any governmental agency or instrumentality;

(xiii) any lien, security interest, encumbrances or charge which exists in favor of the Trustee or to which the Trustee shall consent in writing.

Person shall mean an individual or any Entity.

Prime Lease shall mean, collectively (i) the Andrews Avenue North Lease, (ii) the Courtlandt Avenue Lease Agreement, and (iii) the East 144th Street Lease Agreement.

Principal Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01.

Project shall mean shall mean the (a) refinancing of two taxable loans in the outstanding amounts of $600,000 and $11,170,000, respectively, both of which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the following schools: Brilla Pax Elementary School and Brilla Caritas Elementary School; (b) refinancing a taxable loan in the outstanding amount of $2,170,000, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as a site for the following school: Brilla College Prep Middle School; (c) refinancing a taxable loan in the outstanding amount of $2,710,000, which loan financed leasehold improvements in 20,700 square feet of space in a building located at 413 E 144th Street, Bronx, NY, which currently serves as a site for Brilla College Prep Elementary School; (d) funding a debt service reserve fund; and (e) paying for certain costs and expenses associated with the issuance of the Initial Bonds.

Project Costs shall mean:

(i) all costs of refinancing the taxable loans;

(ii) the interest on the Bonds during the period described in the Tax Regulatory Agreement;

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

(iv) the payment of the Costs of Issuance with respect to the Initial Bonds;

(v) 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 Organization Documents and the Security Documents.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Promissory Note shall mean, (i) with respect to the Initial Bonds, that certain Series 2021A Promissory Note and that certain Series 2021B Promissory Note each in substantially the form of Exhibit H to the Loan Agreement, each from the Institution to the Issuer

and each endorsed by the Issuer to the Trustee, (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 this Indenture.

Purchase Price shall mean an amount equal to the Redemption Price that would be applicable to the Initial Bonds being purchased pursuant to Section 2.03(g) if such Initial Bonds were being optionally redeemed pursuant to Section 2.03(a) on the date such Initial Bonds are being so purchased, plus accrued interest thereon to the date of purchase.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(i) Government Obligations

(ii) 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 this Indenture which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this 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; and

(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.

Rating Agency shall mean any of S&P, Moody's or Fitch and such other nationally recognized securities rating agency as shall have awarded a rating to the Initial Bonds.

Rating Category shall mean one of the generic rating categories of a Rating Agency without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

Rebate Amount shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Record Date shall mean, with respect to any Interest Payment Date for the Initial Bonds, the close of business on the fifteenth (15^{th}) 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.

Redemption Date shall mean the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of this Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or this Indenture.

Refunding Bonds shall have the meaning assigned to that term in Section 2.07(c).

Reimbursement Resolution shall mean the resolution adopted by the Issuer on April 27, 2021 with respect to the Project and the debt financing thereof.

Related Security Documents shall mean all Security Documents other than this Indenture.

Renewal Fund shall mean the special trust fund so designated, established pursuant to Section 5.01.

Representations Letter shall mean the Blanket Issuer Letter of Representations from the Issuer to DTC with respect to the Initial Bonds.

Responsible Officer shall mean, with respect to the Trustee, any officer within the corporate trust office of the Trustee, including any vice-president, any assistant vice-president, any secretary, any assistant secretary, the treasurer, any assistant treasurer or other officer of the

corporate trust office of the Trustee customarily performing functions similar to those performed by any of the above designated officers, who has direct responsibility for the administration of the trust granted in this Indenture, and shall also mean, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

S&P shall mean Standard & Poor's Financial Services LLC, a Delaware limited liability company which is a subsidiary of McGraw Hill Financial, 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 Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Security Documents shall mean, collectively, the Loan Agreement, the Promissory Note, this Indenture, the Tax Regulatory Agreement, the Assignment of Lease, the Master Trust Indenture and Security Agreement, the Use Agreement, the Supplemental Master Trust Indenture No. 1, the Master Covenant Agreement, the Mortgage and the Assignment of Mortgage.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to this Indenture.

Series 2021A Bonds, means the Issuer's $14,595,000 Tax-Exempt Revenue Bonds, Series 2021A (Seton Education Partners – Brilla Project), authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2021B Bonds, means the Issuer's $650,000 Taxable Revenue Bonds, Series 2021A (Seton Education Partners – Brilla Project), authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Sinking Fund Installment shall mean an amount so designated and which is established for mandatory redemption on a date certain of the Bonds of any Series of Bonds pursuant to this Indenture. The portion of any such Sinking Fund Installment of a Series of Bonds remaining after the deduction of any amounts credited pursuant to this Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments of such Series of Bonds due on a future date.

Sinking Fund Installment Account shall mean the special trust account of the Bond Fund so designated, which is established pursuant to Section 5.01.

Special Record Date shall have the meaning specified in Section 2.02(f).

State shall mean the State of New York.

Sublease Agreement shall mean, collectively (i) the Andrews Avenue North Sublease, (ii) the Courtlandt Avenue Sublease, and (iii) the East 144th Street Sublease.

Supplemental Indenture shall mean any indenture supplemental to or amendatory of this Indenture, executed and delivered by the Issuer and the Trustee in accordance with Article XI.

Supplemental Master Indenture shall mean that certain Supplemental Master Trust Indenture No. 1, dated November 1, 2021 between the Institution and the Master Trustee.

Tax Regulatory Agreement shall mean the Tax Regulatory Agreement, dated the Closing Date, from the Issuer, the Institution and the Organization to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with this Indenture.

Trustee shall mean The Bank of New York Mellon, New York, New York, in its capacity as trustee under this Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in this Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

Yield shall have the meaning assigned to such term in the Tax Regulatory Agreement.

Section 1.02 Construction

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(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Indenture, refer to this Indenture, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the Closing Date.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Indenture, and any table of contents appended to copies hereof, shall be solely for convenience of

reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

(e) Unless the context indicates otherwise, references to designated "Exhibits", "Articles", "Sections", "Subsections", "clauses" and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this Indenture.

(f) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(h) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein or herein).

(i) Any reference to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.01 Authorized Amount of Bonds; Pledge Effected by this Indenture

. (a) No Bond may be authenticated and delivered under the provisions of this Indenture except in accordance with this Article. Except as provided in Sections 2.07 and 3.07, the total aggregate principal amount of Bonds that may be authenticated and delivered hereunder is limited to the Authorized Principal Amount.

(b) The proceeds of the Bonds deposited in the Project Fund and certain of the loan payments, receipts and revenues payable under the Loan Agreement, including moneys which are required to be set apart, transferred and pledged to the Bond Fund, to the Debt Service Reserve Fund, to the Renewal Fund or to certain special funds, including the investments, if any, thereof (subject to disbursements from such Funds in accordance with the provisions of this Indenture) are pledged by this Indenture for the payment of the principal, Purchase Price or Redemption Price (if any) of, Sinking Fund Installments for, and interest on, the Bonds. All such Funds shall be held by the Trustee in trust for the benefit of the Bondholders, and while held by the Trustee constitute part of the Trust Estate and be subject to the lien hereof. The Rebate Fund (including amounts on deposit therein) shall not be subject to any assignment, pledge, lien or security interest in favor of the Trustee or any Bondholder or any other Person. The Bonds shall be the special limited revenue obligations of the Issuer and shall be payable by the Issuer as to the principal, Purchase Price or Redemption Price (if any) of the Bonds, Sinking Fund Installments for the Bonds, and interest on the Bonds only from the Funds, special funds and loan payments, revenues and receipts pledged therefor. The Bonds are additionally secured by (i) 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), and (ii) Obligation No. 1 issued pursuant to the terms of the Master Trust Indenture which will be assigned by the Issuer to the Trustee pursuant to this Indenture. In addition, the Institution has granted mortgage liens on and security interests in its leasehold interest in the Mortgaged Property to the Issuer and the Master Trustee pursuant to the Mortgage, and the Issuer has assigned its right, title and interest in the Mortgage to the Master Trustee pursuant to the Assignment of 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 forms 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 and bear interest at the annual rates, as set forth below:

Series	Maturity Dates	Principal Amount	Interest Rate
Series 2021A Bonds	November 1, 2031	$2,535,000	4.00%
	November 1, 2041	$5,805,000	4.00%
	November 1, 2051	$6,255,000	4.00%
Series 2021B Bonds	November 1, 2025	$650,000	3.625%

Interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months. Notwithstanding anything herein to the contrary, the interest rate borne by the Initial Bonds shall not exceed the maximum permitted by, or enforceable under, applicable law.

(c) The Series 2021A Bonds shall be numbered from AR-1 upward in consecutive numerical order, the Series 2021B Bonds shall be numbered from BR-1 upward in consecutive numerical order. Each Bond issued upon any exchange or transfer hereunder shall be numbered in such manner as the Trustee in its discretion shall determine.

(d) The principal, Purchase Price 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 registered owner of such Initial Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Regular Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such owner, or (2) if such Initial Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Initial Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Regular Record Date for any interest payment.

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

manner. It is provided in the Loan Agreement that the Institution shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Initial Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment. Money deposited with the Trustee on account of Defaulted Interest shall be held in trust for the benefit of the owners of the Initial Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Trustee shall fix the Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt of such funds by the Trustee. The Trustee shall promptly notify the Institution of such Special Record Date and, in the name and at the expense of the Institution, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each owner of an Initial Bond entitled to such notice at the address of such owner as it appears on the bond registration books not less than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Initial Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Initial Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Initial Bond and each such Initial Bond shall bear interest from such date, so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(e) The Initial Bonds are issuable in the form of fully registered bonds in the Authorized Denominations.

(f) 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

(i) . (a) General Optional Redemption. (i) The Series 2021A Bonds shall be subject to redemption, on or after November 1, 2031, in whole or in part at any time (but if in part in integral multiples of $5,000 and in the minimum principal amount of $100,000) at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2021A Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

(ii) The Series 2021B Bonds are not subject to optional redemption.

(b) Extraordinary Redemption. The Initial Bonds are subject to redemption prior to maturity, at the option of the Issuer exercised at the direction of the Institution (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), as a whole on any date, upon notice or waiver of notice as provided in this Indenture, at a Redemption Price of one hundred percent (100%) of the unpaid principal amount thereof plus accrued interest to the date of redemption, if one or more of the following events shall have occurred:

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

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

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

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

(c) Mandatory Sinking Fund Installment Redemption.

(i) The Series 2021A Bonds maturing on November 1, 2031 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 (November 1)	Sinking Fund Installment
2026	$385,000
2027	$395,000
2028	$415,000
2029	$430,000
2030	$445,000
2031 (stated date)	$465,000

(ii) The Series 2021A Bonds maturing on November 1, 2041 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 (November 1)	Sinking Fund Installment
2032	$485,000
2033	$505,000
2034	$525,000
2035	$545,000
2036	$565,000
2037	$585,000
2038	$610,000
2039	$630,000
2040	$665,000
2041 (stated date)	$690,000

(iii) The Series 2021A Bonds maturing on November 1, 2051 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 (November 1)	Sinking Fund Installment
2042	$715,000
2043	$745,000
2044	$605,000
2045	$630,000
2046	$655,000
2047	$535,000
2048	$560,000
2049	$580,000
2050	$605,000
2051 (final date)	$625,000

(iv) Mandatory Sinking Fund Installment Redemption. The Series 2021B Bonds maturing on November 1, 2025 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 (November 1)	Sinking Fund Installment
2024	$285,000
2025 (final maturity)	$365,000

(d) Mandatory Redemption from Excess Proceeds and Certain Other Amounts. The Initial Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

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

(ii) excess proceeds shall remain after the release or substitution of Facility Realty or Facility Personalty, or

(iii) certain funds received by the Institution pursuant to any capital campaign which are earmarked for specific Project Costs shall remain with the Institution and shall not be required for completion of the Project or related Project Costs,

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.

(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 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.

(f) 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 three percent (103%) of the principal amount thereof, together with accrued interest 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.

(g) Purchase in Lieu of Optional Redemption. In lieu of calling the Initial Bonds for optional redemption, the Initial Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon the direction of the Institution, in whole or in part (and, if in part, in such manner as determined by the Institution) on any date on or after November 1, 2031, at a Purchase Price equal to the applicable Redemption Price for any optional redemption of such Initial Bonds as provided in Section 2.03(a), plus accrued interest to the purchase date. Purchases of tendered Initial Bonds may be made without regard to any provision of this Indenture relating to the selection of Initial Bonds in a partial optional redemption. The Initial Bonds purchased pursuant to any mandatory tender(s) are not required to be cancelled, and if not so cancelled (subject to Section 11.6 of the Loan Agreement), shall, prior to any resale by or on behalf of the Institution, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of this Indenture relating to the selection of the Initial Bonds in a partial redemption.

Purchases in lieu of an optional redemption shall be permitted, with the consent of the Issuer, upon the delivery to the Issuer and the Trustee of (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such purchases in lieu of optional redemption comply with the provisions of this Indenture and (B) neither such purchases in lieu of an optional redemption nor any transaction directly related thereto will adversely affect the exclusion from gross income of interest on the Series 2021A Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

(h) Mandatory Redemption Upon Termination of any Prime Lease or any Sublease Agreement. The Initial Bonds or an allocable portion thereof are also subject to mandatory redemption prior to maturity, at the option of the Issuer, in whole or in part, in the event (i) any Prime Lease is terminated or not renewed, (ii) any Sublease Agreement is terminated or not renewed prior to the repayment of Initial Bonds allocated to such Facility. 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, unless with the consent of the Issuer, the Institution delivers to the Issuer and the Trustee (i) an opinion of Nationally Recognized Bond Counsel addressed to the Issuer and the Trustee substantially to the effect that (A) such termination or expiration of any Prime Lease or Sublease Agreement complies with the provisions of the Bond Documents and (B) neither such termination or expiration of any Prime Lease or Sublease Agreement nor any transaction directly related thereto (including the mandatory redemption of a portion of the Initial Bonds) will adversely affect the exclusion from gross income of interest on the Series 2021A Bonds for purposes of federal income taxation, and (ii) such other opinions, certificates or documentation as the Issuer may require.

(i) Redemption of Initial Bonds permitted or required by this Article II shall be made as follows, and the Trustee shall give the notice of redemption required by Section 6.03 in respect of each such redemption:

(1) Redemption shall be made pursuant to the general optional redemption provisions of Section 2.03(a) or (b) at such times as are permitted under such Section and, in the case of Section 2.03(a), in such principal amounts, as the Institution shall request in a written notice to the Trustee in accordance with Section 4.3(c) of the Loan Agreement.

(2) Redemption shall be made pursuant to the mandatory Sinking Fund Installment redemption provisions of Section 2.03(c) as and when required by this Section without the necessity of any request by, or notification from the Issuer or from the Institution, but subject to the provisions of Section 5.05(d) and (f).

(3) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(d) 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.

(4) Redemption shall be made pursuant to the mandatory redemption provisions of Section 2.03(e) and (h) 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(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 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 all Security Documents;

(c) a written opinion by Nationally Recognized Bond Counsel to the effect that the issuance of the Initial Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled; and

(d) the written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the Initial Bonds to the purchaser(s) therein identified upon payment to the Trustee for the account of the Issuer of the purchase price therein specified, plus accrued interest, if any.

Section 2.05 Execution of Bonds

. The Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of the Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel of the Issuer, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the manual or facsimile signature of the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer. Any facsimile signatures shall have the same force and effect as if the appropriate officers had personally signed each of said Bonds. In case one or any of the officers who shall have signed or attested the Bonds or whose reproduced facsimile signature appears thereon shall cease to be such officer or officers before the Bonds so signed and attested shall have been actually issued and delivered, the Bonds may be issued and delivered as though the person who signed or attested or whose reproduced facsimile signature appears on the Bonds had not ceased to be such officer. Neither the members, directors, officers or agents of the Issuer nor any person executing the Bonds shall be liable personally or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 2.06 Authentication

. Only such Bonds as shall have endorsed thereon a certificate of authentication, in substantially the form set forth in the Form of Initial Bonds in Exhibit C, duly executed by the Trustee, shall be entitled to any right or benefit under this Indenture. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until such certificate of authentication on such Bond shall have been duly executed by the Trustee, and such certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Trustee shall note, with respect to each Bond to be authenticated under this Indenture in the space provided in the certificate of authentication for such Bond, the date of the authentication and delivery of such Bond. The Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds.

Section 2.07 Additional Bonds

. (a) So long as the Promissory Note, the Loan Agreement and the other Security Documents are each in effect, and the prior written consent of the Holders of at least sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds shall have been obtained, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) completing the Project, (ii) providing funds in excess of Net Proceeds to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, (iii) providing extensions, additions or improvements to the Facility, the purpose of which shall be for the Approved Project Operations, or (iv) refunding Outstanding Bonds. Such Additional Bonds shall be payable from the loan payments, receipts and revenues of the Facility including such extensions, additions and improvements thereto. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, the Issuer and the Institution shall enter into an amendment to the Loan Agreement, and the Institution shall execute a new Promissory Note, which shall provide, among other things, that the loan payments payable by the Institution under the Loan Agreement and the aggregate amount to be paid under all Promissory Notes shall be increased and computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith. In addition, the Institution and the Issuer shall enter into an amendment to each Security Document with the Trustee which shall provide that the amounts guaranteed or otherwise secured thereunder be increased accordingly.

(b) Each such Series of Additional Bonds shall be deposited with the Trustee and thereupon shall be authenticated by the Trustee. Upon payment to the Trustee of the proceeds of sale of such Series of Additional Bonds, they shall be made available by the Trustee for pick-up by the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(1) a copy of the resolution, duly certified by the Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel of the Issuer, authorizing, issuing and awarding the Series of Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and any amendments of or supplements to the Loan Agreement and any other Security Document to which the Issuer shall be a party;

(2) original executed counterparts of the Supplemental Indenture and an amendment of or supplement to the Loan Agreement expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture, the Promissory Note, the Loan Agreement and the Mortgage, the Facility referred to therein and the premises related or subject thereto shall include the buildings, structures, improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Series of Additional Bonds being issued as well as the Initial Bonds and any Series of Additional Bonds theretofore issued;

(3) a written opinion by Nationally Recognized Bond Counsel, to the effect that the issuance of the Series of Additional Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled

and that the issuance of the Series of Additional Bonds will not cause the interest on any Series of Bonds Outstanding to become includable in gross income for federal income tax purposes;

(4) except in the case of a Series of Refunding Bonds (defined below) refunding all Outstanding Bonds, a certificate of an Authorized Representative of the Institution to the effect that each Security Document to which it is a party continues in full force and effect and that there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default;

(5) written evidence from each Rating Agency by which any Series of Outstanding Bonds are then rated, if any, to the effect that it has reviewed the documentation pertaining to the issuance of the Series of Additional Bonds, and that the issuance of such Series of Additional Bonds will not result in a withdrawal, a suspension or a reduction of the long and short-term ratings, if applicable, then assigned to any Series of Outstanding Bonds by such Rating Agency;

(6) an original, executed counterpart of the new Promissory Note and the amendment to each Security Document; 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, one or more Series of Additional Bonds may be authenticated and made available for pick-up upon original issuance to refund ("Refunding Bonds") all Outstanding Bonds or any Series of Outstanding Bonds or any part of one or more Series of Outstanding Bonds. Bonds of a Series of Refunding Bonds shall be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of this Indenture and of the resolution authorizing said Series of Refunding Bonds. In the case of the refunding under this Section 2.07 of less than all Bonds Outstanding of any Series or of any maturity within such Series, the Trustee shall proceed to select such Bonds in accordance with Section 6.02.

(2) A Series of Refunding Bonds may be authenticated and made available for pick-up only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 2.07(b), as may be applicable) of:

(A) Irrevocable instructions from the Issuer to the Trustee, satisfactory to it, to give due notice of redemption pursuant to Section 6.03 to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the redemption date specified in such instructions; and

(B) Either:

(i) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price of the Bonds to be refunded, together with accrued interest on such Bonds to the maturity or redemption date, which

moneys shall be held by the Trustee or any Paying Agent in a separate account irrevocably in trust for and assigned to the respective Holders of the Outstanding Bonds being refunded, or

(ii) Defeasance Obligations in such principal amounts, having such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Article X, and any moneys required pursuant to said Section (with respect to all Outstanding Bonds or any part of one or more Series of Outstanding Bonds being refunded), which Defeasance Obligations and moneys shall be held in trust and used only as provided in Article X.

(3) The Institution shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a certificate of an independent certified public accountant stating that the Trustee and/or the Paying Agent (and/or any escrow agent as shall be appointed in connection therewith) hold in trust the moneys or such Defeasance Obligations and moneys required to effect such payment at maturity or earlier redemption.

(d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with the Initial Bonds and all other Series of Additional Bonds, if any, issued pursuant to this Section, without preference, priority or distinction of any Bond over any other Bonds except as expressly provided in or permitted by this Indenture.

(e) No Series of Additional Bonds shall be issued unless the Promissory Note, the Loan Agreement, the Mortgage and the other Security Documents are in effect and, at the time of issuance, there is no Event of Default nor any event which upon notice or lapse of time or both would become an Event of Default.

Section 2.08 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 registered owners; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee of any change in the CUSIP numbers of which it has actual knowledge.

Section 2.09 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, Purchase Price 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 Initial Bonds; any notice that is permitted or required to be given to Bondholders under this Indenture or any other Security Documents; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Initial Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal, Purchase Price or Redemption Price of, Sinking Fund Installments 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, Purchase Price 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, Purchase Price 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, Purchase Price 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) NEITHER THE ISSUER, THE INSTITUTION NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, SINKING FUND INSTALLMENTS, REDEMPTION PRICE OF OR INTEREST ON THE INITIAL BONDS; (3) THE DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS INDENTURE TO BE GIVEN TO BONDHOLDERS; OR (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE INITIAL BONDS.

(f) SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE INITIAL BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE INITIAL BONDHOLDERS OR REGISTERED HOLDERS OF THE INITIAL BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE INITIAL BONDS.

(g) For so long as the Holder of all of the Initial Bonds shall be DTC, and all Initial Bonds shall be registered in the name of Cede & Co. as nominee for DTC, (i) only DTC may tender Initial Bonds upon redemption or retirement in whole and (ii) unless all Initial Bonds are being redeemed or retired in whole, Initial Bonds shall not be required to be presented to the Trustee for payment of principal, Sinking Fund Installments or Redemption Price except upon final maturity or redemption in whole.

(h) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer

may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository that is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of an Initial Bond or Bonds for cancellation shall cause the delivery of an Initial Bond or Bonds to the successor Securities Depository in appropriate Authorized Denominations and form as provided herein.

ARTICLE III

GENERAL TERMS AND PROVISIONS OF BONDS

Section 3.01 Date of Bonds

. The Initial Bonds shall be dated their date of original issuance (subject to the provisions set forth below with respect to transfers and exchanges) and will bear interest from their date at the applicable rate or rates until the entire principal amount of the Initial Bonds has been paid. Bonds authenticated prior to the first Interest Payment Date shall bear interest from their date of original issuance. Bonds issued in exchange for or upon the registration of transfer of Bonds on or after the first Interest Payment Date thereon shall bear interest from and including the Interest Payment Date next preceding the date of the authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest on the Bonds has been paid in full or duly provided for, in which case they shall bear interest from and including such Interest Payment Date; provided that if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in exchange for or upon the registration of transfer of Bonds shall bear interest from the date to which interest has been paid in full on the Bonds, or if no interest has been paid on the Bonds, the date of the first delivery of fully executed and authenticated Bonds hereunder.

Section 3.02 Form and Denominations

. Bonds shall be issued in fully registered form, without coupons, in any Authorized Denomination not exceeding the aggregate principal amount of Bonds of the same series, maturity and interest rate as the Bond for which the denomination is to be specified. Subject to the provisions of Section 3.03, the Initial Bonds shall be in substantially the form set forth in Exhibit C, with such variations, omissions and insertions as are permitted or required by this Indenture.

Section 3.03 Legends

. Each Bond shall contain on the face thereof the following: "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)." The Bonds may in addition contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom or otherwise as may be determined by the Issuer prior to the delivery thereof.

Section 3.04 Medium of Payment

. The principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds shall be payable in any coin or currency of the United States of America which, on the

respective dates of payment thereof, is legal tender for the payment of public and private debts. Such payment may be made as provided in Section 2.02.

Section 3.05 Bond Details

. Subject to the provisions hereof, the Bonds shall be dated, shall mature in such years and such amounts, shall bear interest at such rate or rates per annum, shall be subject to redemption on such terms and conditions and shall be payable as to principal or Redemption Price, if any, Sinking Fund Installments, and interest at such place or places as shall be specified in this Indenture.

Section 3.06 Interchangeability, Transfer and Registry

. (a) Each Bond shall be transferable only upon compliance with the restrictions on transfer set forth on such Bond and only upon the books of the Issuer, which shall be kept for the purpose at the designated corporate trust office of the Trustee, by the registered owner thereof in person or by his duly authorized attorney-in-fact, upon surrender of such Bond together with a written instrument of transfer in the form appearing on such Bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15. Upon the transfer of any Bond the Trustee shall prepare and issue in the name of the transferee one or more new Bonds of the same aggregate principal amount, related Series, maturity and interest rate as the surrendered Bond.

(b) Each Holder of a Bond, by the purchase and acceptance of such Bond, is deemed to have represented and agreed as follows: (i) it is either a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act")) or an "accredited investor" (as defined in Regulation D under the Securities Act), and it has acquired such Bond for its own account or for the account of a qualified institutional buyer or an accredited investor, and (ii) it understands and acknowledges that such Bond has not been registered under the Securities Act, and that, if in the future it decides to offer, resell, pledge or otherwise transfer such Bond, such Bond may be offered, resold, pledged or transferred only in accordance with the above transfer restrictions set forth in Section 3.06(a) and only to a Person meeting the requirements set forth in the preceding clause (i).

(c) Any Bond, upon surrender thereof at the designated corporate trust office of the Trustee in the City with a written instrument of transfer in the form appearing on such Bond, duly executed by the registered owner or his duly authorized attorney-in-fact, with a guaranty of the signature thereon by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, may, at the option of the owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same Series, maturity and interest rate of any other Authorized Denominations. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

(d) The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name any Bond shall be registered as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of, Sinking Fund Installments for, and interest on such Bond and for all other purposes, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

(e) In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer or the Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses shall be paid by the Institution but any such tax, fee or other governmental charge shall be paid by the Holder requesting such transfer or exchange.

Section 3.07 Bonds Mutilated, Destroyed, Stolen or Lost

. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity, unpaid principal amount and interest rate as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence reasonably satisfactory to it that such Bond has been destroyed, stolen or lost, and upon furnishing the Issuer and the Trustee with indemnity (an undertaking from an insurance company acceptable to the Trustee and the Issuer) satisfactory to the Trustee and to the Issuer and complying with such other reasonable regulations as the Trustee may prescribe and paying such expenses as the Issuer and the Trustee may incur. All Bonds so surrendered to the Trustee shall be cancelled by it. Every new Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is destroyed, lost or stolen, shall, with respect to such Bond, constitute an additional contractual obligation of the Issuer whether or not the destroyed, lost or stolen Bond shall be found and shall be enforceable at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder. In the event any such destroyed, stolen or lost Bond shall have matured, or be about to mature, the Issuer may, instead of issuing a new Bond, cause the Trustee to pay the same without surrender thereof upon compliance with the condition in the first sentence of this Section out of moneys held by the Trustee and available for such purpose. All Bonds shall be held and owned upon the express condition (to the extent lawful) that the foregoing provisions are exclusive with respect to the replacement or payment of any mutilated, destroyed or lost or stolen Bond and shall preclude any and all other rights and remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 3.08 Cancellation and Destruction of Bonds

. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds together with all Bonds purchased by the

Trustee, shall thereupon be promptly cancelled. Bonds so cancelled shall be destroyed by the Trustee.

Section 3.09 Requirements With Respect to Transfers

. In all cases in which the privilege of transferring Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such transfer shall forthwith be cancelled by the Trustee. For every such transfer of Bonds, the Issuer or the Trustee may, as a condition precedent to the privilege of making such transfer, make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such transfer and may charge a sum sufficient to pay the cost of preparing each new Bond issued upon such transfer, which sum or sums shall be paid by the Person requesting such transfer.

Section 3.10 Bond Registrar

. The Trustee shall also be Bond Registrar for the Bonds, and shall maintain a register showing the names of all registered Holders of Bonds, Bond numbers and amounts, and other information appropriate to the discharge of its duties hereunder. The Trustee shall make available to the Institution for its inspection during normal business hours the registration books for the Bonds, as may be requested by the Institution in connection with any purchase or tender offer by it with respect to the Bonds.

Section 3.11 Payments Due on Saturdays, Sundays and Holidays

. In any case where any payment date of principal, Sinking Fund Installment and/or interest on the Bonds, or the date fixed for redemption of any Bonds, shall be a day other than a Business Day, then payment of such principal, Sinking Fund Installment and/or interest or the Redemption Price, if applicable, need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the principal, Sinking Fund Installment and/or Interest Payment Date or the date fixed for redemption, as the case may be, except that interest shall continue to accrue on any unpaid principal.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Section 4.01 Application of Proceeds of Initial Bonds

.

(a) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2021A Bonds, the Trustee shall apply such proceeds as follows:

(i) $969,400, being an amount equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021A Bonds, shall be deposited in the Series 2021A Account of the Debt Service Reserve Fund;

(ii) $274,537.10, shall be deposited in the Costs of Issuance Account of the Project Fund and applied to Costs of Issuance;

(iii) $400.63, shall be deposited in the Series 2021A Interest Account of the Bond Fund; and

(iv) $15,111,616.44, being the balance of the proceeds of the Series 2021A Bonds, shall be deposited in the Project Fund and applied to Costs of the Project.

(b) Upon the receipt by the Trustee of the original proceeds of the sale and delivery of the Series 2021B Bonds, the Trustee shall apply such proceeds as follows:

(i) $65,000, being an amount equal to the Debt Service Reserve Fund Requirement with respect to the Series 2021B Bonds, shall be deposited in the Series 2021B Account of the Debt Service Reserve Fund;

(ii) $486,016.15, being the balance of the proceeds of the Series 2021B Bonds, shall be deposited in the Costs of Issuance Account of the Project Fund and applied to Costs of Issuance.

(c) Upon the receipt by the Trustee of the equity contribution from the Insitution, the Trustee shall apply such proceeds as follows:

(i) $588,755, shall be deposited in the Project Fund and applied to Costs of the Project.

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) a Costs of Issuance Account

(2) Bond Fund

(A) a Principal Account, and within such Principal Account, a Series 2021A subaccount and a Series 2021B subaccount;

(B) an Interest Account, and within such Interest Account, a Series 2021A subaccount and a Series 2021B subaccount;

(C) a Sinking Fund Installment Account, and within such Sinking Fund Installment Account, a Series 2021A subaccount and a Series 2021B subaccount;

(D) a Redemption Account, and within such Redemption Account, a Series 2021A subaccount and a Series 2021B subaccount;

(3) Renewal Fund

(4) Rebate Fund

(5) Debt Service Reserve Fund, and within such Debt Service Reserve Fund, a Series 2021A subaccount and a Series 2021B subaccount.

(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 and 5.07 or otherwise required to be deposited therein pursuant to the Loan Agreement, or this Indenture.

The Trustee shall apply the amounts on deposit in the Project Fund to the payment, or reimbursement to the extent the same have been paid by or on behalf of the Institution or the Issuer, of Project Costs to the extent requisitioned under subsection (b) hereto.

(b) The Trustee is hereby authorized to disburse from the Project Fund amounts required to pay (in whole or in part) the Project Costs and is directed to issue its checks (or, at the direction of the Institution, make wire transfers) for each disbursement from the Project Fund for the Project Costs, upon a requisition submitted to the Trustee, signed by an Authorized Representative of the Institution.

The requisition from the Project Fund shall be accompanied by bills or invoices (stamped "paid" by the Person to whom payment was due or with other evidence of payment if reimbursement is to be made to the Institution), including evidence that the bill, invoice or other evidence was not incurred on a date prior to sixty (60) days prior to the date of adoption by the Issuer or the Institution of the Reimbursement Resolution for the Project. Such requisition shall be as set forth in Exhibit D — "Form of Requisition from the Project Fund" and shall be submitted to the Trustee. The Trustee shall disburse amounts from the Project Fund not later than five (5) Business Days following the receipt of the executed requisition and accompanying bills or invoices, except that any such requisition and accompanying bills or invoices submitted on the Closing Date shall have disbursements made by the Trustee on such Closing Date. The Trustee shall be entitled to conclusively rely on the correctness and accuracy of such requisition as well as the propriety of the signature thereon.

(c) The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom and shall furnish copies of same to the Issuer or the Institution upon reasonable written request.

(d) The Trustee shall on written request furnish to the Issuer and the Institution within a reasonable time period a written statement of disbursements from the Project Fund, enumerating, among other things, item, cost, amount disbursed, date of disbursement and the person to whom payment was made, together with copies of all bills, invoices or other evidences submitted to the Trustee for such disbursement.

(e) On June 30, 2022, the balance in the Project Fund shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, be deposited by the Trustee in the Redemption Account of the Bond Fund. 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 (in excess of any amount the Trustee is directed to transfer to the Rebate Fund pursuant to the Tax Regulatory Agreement and Section 5.07) and in the 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 (in excess of any amount the Trustee is directed to transfer to the Rebate Fund

pursuant to the Tax Regulatory Agreement and Section 5.07) and in the Debt Service Reserve Fund shall be deposited in the Bond Fund as provided in Section 8.03.

(g) All earnings on amounts held in the Project Fund shall be transferred by the Trustee and deposited in the Series 2021A Interest Subaccount of the Interest Account of the Bond Fund.

Section 5.03 Payments into Renewal Fund; Application of Renewal Fund

. (a) The Net Proceeds resulting from any Loss Event with respect to the Facility, together with any other amounts so required to be deposited therein under the Loan Agreement or the Mortgage, shall be deposited in the Renewal Fund (except as otherwise provided in Section 3.11 of the Mortgage).

(b) In the event the Bonds shall be subject to redemption in whole (either by reason of such Loss Event or otherwise) pursuant to the terms thereof or this Indenture, and the Institution shall have so directed the Trustee in writing within ninety (90) days of the occurrence of such Loss Event, the Trustee shall, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, transfer the amounts deposited in the Renewal Fund to the Redemption Account of the Bond Fund.

If, on the other hand,

(1) the Bonds shall not be subject to optional redemption in whole (whether by reason of such Loss Event or otherwise), or

(2) the Bonds shall be subject to optional redemption in whole (whether by reason of such Loss Event or otherwise) and the Institution shall have failed to take action to effect such redemption, or

(3) the Institution shall have notified the Trustee of its intent to rebuild, replace, repair and restore the Facility,

and, in each case, the Institution shall have delivered an opinion of Nationally Recognized Bond Counsel addressed to the Trustee and the Issuer, to the effect that such rebuilding, replacement, repair or restoration will not have an adverse effect on the exclusion from gross income of interest on the Series 2021A Bonds for purposes of federal income taxation, the Trustee shall apply the amounts on deposit in the Renewal Fund, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, to such rebuilding, replacement, repair and restoration.

(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 Majority Holders and shall thereupon apply such Net Proceeds, after making any transfer to the Rebate Fund as directed pursuant to the Tax Regulatory Agreement and Section 5.07, to the rebuilding, replacement, repair and restoration of the Facility, or for deposit in the Redemption Account of the Bond Fund, as directed by the Majority Holders (or if no such direction shall be

received within ninety (90) days after request therefor by the Trustee shall have been made, for deposit in the Redemption Account of the Bond Fund).

(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 and signed by an Authorized Representative of the Institution. 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 and the Trustee by a certificate of an Authorized Representative of the Institution stating (i) the date of such completion, (ii) that all labor, services, machinery, equipment, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for or arrangement for payment, reasonably satisfactory to the Trustee, has been made, (iii) that the Facility has been rebuilt, replaced, repaired or restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, (iv) that all property constituting part of the Facility is subject to the terms of the Loan Agreement, and 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 encumbrances other than those encumbrances consented to by the Issuer and the Trustee.

(f) All earnings on amounts on deposit in the Renewal Fund shall be transferred by the Trustee and deposited in Series 2021A Interest Subaccount of the Interest Account of the Bond 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 Regulatory Agreement 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) Reserved.

(b) Any amounts transferred from the Revenue Fund of the Master Trust Indenture, which shall be deposited in and credited to the respective subaccounts of the Interest Account, the Principal Account, the Sinking Fund Installment Account or the Redemption Account, as the case may be, of the Bond Fund.

(c) Excess or remaining amounts in the Project Fund required to be deposited (subject to any transfer required to be made to the Rebate Fund in accordance with directions received pursuant to the Tax Regulatory Agreement and Section 5.07, or to the Debt Service Reserve Fund to the extent of any deficiency therein) (i) in the Redemption Account of the Bond Fund pursuant to Section 5.02(e) or the first sentence of Section 5.02(f), which shall be kept segregated from any other moneys within such Account, 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), (iv) or (v), or Section 4.3(i), of the Loan Agreement, which shall be deposited in and credited, to the extent necessary, first to the subaccounts of the Interest Account, second to the subaccounts of the Principal Account, and third to the subaccounts of the Sinking Fund Installment Account of the Bond Fund.

(e) Advance loan payments received by the Trustee pursuant to Section 4.3(c) of the Loan Agreement, which shall be deposited in and credited to the applicable subaccounts of the Redemption Account of the Bond Fund.

(f) Any amounts transferred from the Project Fund pursuant to Section 5.06(c), which shall be deposited in and credited pro rata to the applicable subaccounts of the Interest Account of the Bond Fund.

(g) The excess amounts referred to in Section 5.05(d), which shall be deposited in and credited to the 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 applicable subaccounts of 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 Regulatory Agreement and Section 5.07 or to the Debt Service Reserve Fund to the extent of any deficiency therein) to the applicable subaccounts of the Redemption Account of the Bond Fund pursuant to Section 5.03(g).

(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, which shall be deposited in and credited to the respective subaccounts of the Interest Account, the Principal Account, the Sinking Fund Installment Account or the Redemption Account, as the case may be, of the Bond Fund.

Section 5.05 Application of Bond Fund Moneys

. (a) The Trustee shall (i) on each Interest Payment Date pay or cause to be paid out of the applicable subaccount of the Interest Account in the Bond Fund the interest due on the Bonds, and (ii) further pay out of the applicable subaccounts of the Interest Account of the Bond Fund any amounts required for the payment of accrued interest upon any purchase or redemption (including any mandatory Sinking Fund Installment redemption) of Bonds.

(b) The Trustee shall on each principal payment date on the Bonds pay or cause to be paid to the respective Paying Agents therefor out of the applicable subaccounts of the Principal Account of the Bond Fund, the principal amount, if any, due on the Bonds (other than such as shall be due by mandatory Sinking Fund Installment redemption), upon the presentation and surrender of the requisite Bonds.

(c) There shall be paid from the applicable subaccounts of the Sinking Fund Installment Account of the Bond Fund to the Paying Agents on each Sinking Fund Installment payment date in immediately available funds the amounts required for the Sinking Fund Installment due and payable with respect to Bonds which are to be redeemed from Sinking Fund Installments on such date (accrued interest on such Bonds being payable from the applicable subaccounts of the Interest Account of the Bond Fund). Such amounts shall be applied by the Paying Agents to the payment of such Sinking Fund Installment when due. The Trustee shall call for redemption, in the manner provided in Article VI, Bonds for which Sinking Fund Installments are applicable in a principal amount equal to the Sinking Fund Installment then due with respect to such Bonds. Such call for redemption shall be made even though at the time of mailing of the

notice of such redemption sufficient moneys therefor shall not have been deposited in the Bond Fund.

(d) Amounts in the subaccounts of the Redemption Account of the Bond Fund shall be applied, at the written direction of the Institution, as promptly as practicable, to the purchase of Bonds at prices not exceeding the Redemption Price thereof applicable on the earliest date upon which the Bonds are next subject to optional redemption, plus accrued interest to the date of redemption. Any amount in the subaccounts of the Redemption Account not so applied to the purchase of Bonds by forty-five (45) days prior to the next date on which the Bonds are so redeemable shall be applied to the redemption of Bonds on such redemption date. Any amounts deposited in the subaccounts of the Redemption Account and not applied within twelve (12) months of their date of deposit to the purchase or redemption of Bonds (except if held in accordance with Article X) shall be transferred to the applicable subaccount of the Interest Account. Upon the purchase of any Bonds out of advance loan payments as provided in this subsection, or upon the redemption of any Bonds, an amount equal to the principal of such Bonds so purchased or redeemed shall be credited against the next ensuing and future Sinking Fund Installments for such Bonds in chronological order of the due dates of such Sinking Fund Installments until the full principal amount of such Bonds so purchased or redeemed shall have been so credited. The portion of any such Sinking Fund Installment remaining after the deduction of such amounts so credited shall constitute and be deemed to be the amount of such Sinking Fund Installment for the purposes of any calculation thereof under this Indenture. The Bonds to be purchased or redeemed shall be selected by the Trustee in the manner provided in Section 6.02. Amounts in the subaccounts of the Redemption Account to be applied to the redemption of Bonds shall be paid to the respective Paying Agents on or before the redemption date and applied by them on such redemption date to the payment of the Redemption Price of the Bonds being redeemed plus interest on such Bonds accrued to the redemption date.

(e) In connection with purchases of Bonds out of the Bond Fund as provided in this Section, the Institution shall arrange and the Trustee shall execute such purchases (through brokers or otherwise, and with or without receiving tenders) at the written direction of the Institution. The payment of the purchase price shall be made out of the moneys deposited in the related subaccount of the Redemption Account of the Bond Fund and the payment of accrued interest shall be made out of moneys deposited in the related subaccount of the Interest Account of the Bond Fund.

(f) The Issuer shall receive a credit in respect of Sinking Fund Installments for any Bonds which are subject to mandatory Sinking Fund Installment redemption and which are delivered by the Issuer or the Institution to the Trustee on or before the forty-fifth (45th) day next preceding any Sinking Fund Installment payment date and for any Bonds which prior to said date have been purchased or redeemed (otherwise than through the operation of the Sinking Fund Installment Account) and cancelled by the Trustee and not theretofore applied as a credit against any Sinking Fund Installment (whether pursuant to Section 5.05(d) or otherwise). Each Bond so delivered, cancelled or previously purchased or redeemed shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date with respect to Bonds of such Series and maturity and the principal amount of such Bonds to be redeemed by operation of the subaccounts of the Sinking Fund Installment Account on the due date of such Sinking Fund Installment shall be

reduced accordingly, and any excess over such principal amount shall be credited on future Sinking Fund Installments in direct chronological order, and the principal amount of Bonds to be redeemed by application of Sinking Fund Installment payments shall be accordingly reduced.

(g) The Institution shall on or before the forty-fifth (45th) day next preceding each Sinking Fund Installment payment date furnish the Trustee with the certificate of an Authorized Representative of the Institution indicating whether or not and to what extent the provisions of this Section are to be availed of with respect to such Sinking Fund Installment payment, stating, in the case of the credit provided for, that such credit has not theretofore been applied against any Sinking Fund Installment and confirming that immediately available cash funds for the balance of the next succeeding prescribed Sinking Fund Installment payment will be paid on or prior to the next succeeding Sinking Fund Installment payment date.

(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 Interest Account, to the Principal Account or to the Sinking Fund Installment Account of the Bond Fund.

Section 5.06 Reserved.

Section 5.07 Payments into Rebate Fund; Application of Rebate Fund

. (a) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee, any Bondholder or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount (as defined in the Tax Regulatory Agreement) from an Authorized Representative of the Institution, shall deposit in the Rebate Fund within sixty (60) days following each Computation Date (as defined in the Tax Regulatory Agreement), an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such Computation Date. If there has been delivered to the Trustee a certification of the Rebate Amount in conjunction with the completion of the 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 Project Fund or Renewal Fund, as applicable. 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 in the Series 2021A Subaccount of the Interest Account of the Bond Fund.

(d) The Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the Closing Date, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount with respect to the Initial Bonds as of the date of such payment and (ii) notwithstanding the provisions of Article X, not later than thirty (30) days after the date on which all Initial Bonds have been paid in full, 100% of the Rebate Amount as of the date of payment.

Section 5.08 Transfer to Rebate Fund

. The Trustee shall have no obligation under this Indenture to transfer any amounts to the Rebate Fund unless the Trustee shall have received specific written instructions from an Authorized Representative of the Institution to make such transfer.

Section 5.09 Investment of Funds and Accounts

. (a) Amounts in any Fund or Account established under this Indenture may, if and to the extent then permitted by law, be invested only in Qualified Investments provided that any Qualified Investment shall not have a maturity date greater than five (5) years from the date of the making of such investment unless such Qualified Investment may be put at par at any time at the option of the owner thereof, and provided, further, that any investment of amounts held in the Debt Service Reserve Fund shall be limited to Government Obligations. Any investment herein authorized is subject to the condition that no portion of the proceeds derived from the sale of the Bonds shall be used, directly or indirectly, in such manner as to cause any Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code. Except as may be provided in the Tax Regulatory Agreement, unexpended Series 2021A Bond proceeds transferred 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 Regulatory Agreement) which is greater than the Yield on the applicable Series 2021A Bonds. Such investments shall be made by the Trustee only at the written request of an Authorized Representative of the Institution; and if such investment is to be in one or more certificates of deposit, investment agreements or guaranteed investment contracts, then such written request shall include written assurance to the effect that such investment complies with the Tax Regulatory Agreement. Any investment hereunder shall be made in accordance with the Tax Regulatory Agreement, and the Institution shall so certify to the Trustee with each such investment direction as referred to below. Such investments shall mature in such amounts and at such times as may be necessary to provide funds when needed to make payments from the applicable Fund. Net income or gain received and collected from such investments shall be credited and losses charged to (i) the Rebate Fund with respect to the investment of amounts held in the Rebate Fund, (ii) the Bond Fund with respect to the investment of amounts held in the Bond Fund, (iii) as set forth in Section 5.05(f) with respect to the Renewal Fund, (iv) to the Debt Service Reserve Fund with respect to the investment of amounts held in the Debt Service Reserve Fund, and (v) to the Interest Account of the Bond Fund with respect to the investment of amounts held in any other Fund.

(b) At the written request of an Authorized Representative of the Institution no sooner than ten (10) days prior to each Loan Payment Date under the Loan Agreement, the Trustee

shall notify the Institution of the amount of such net investment income or gain received and collected subsequent to the last such loan payment and the amount then available in the various Accounts of the Bond Fund.

(c) Upon the written direction of an Authorized Representative of the Institution, the Trustee shall sell at the best price reasonably obtainable, or present for redemption or exchange, any obligations in which moneys shall have been invested to the extent necessary to provide cash in the respective Funds or Accounts, to make any payments required to be made therefrom, or to facilitate the transfers of moneys or securities between various Funds and Accounts as may be required from time to time pursuant to the provisions of this Article. The Trustee shall not be liable for losses incurred as a result of actions taken in good faith in accordance with this Section 5.09(c). As soon as practicable after any such sale, redemption or exchange, the Trustee shall give notice thereof to the Issuer and the Institution.

(d) Neither the Trustee nor the Issuer shall be liable for any loss arising from, or any depreciation in the value of any obligations in which moneys of the Funds and Accounts shall be invested in accordance with this Indenture. The investments authorized by this Section 5.09 shall at all times be subject to the provisions of applicable law, as amended from time to time.

(e) In computing the amount in any Fund or Account, obligations purchased as an investment of moneys therein shall be valued at fair market value as determined by the Trustee one month prior to each Interest Payment Date.

The fair market value of Qualified Investments shall be determined as follows:

(i) as to investments the bid and asked prices of which are published on a regular basis in *The Wall Street Journal* (or, if not there, then in *The New York Times*), the average bid and asked prices for such investments so published on or most recently prior to such time of determination;

(ii) as to investments the bid and asked prices of which are not published on a regular basis in *The Wall Street Journal* or *The New York Times*, the average bid price at such nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time making a market in such investments or as quoted in the Interactive Data Service; and

(iii) as to certificates of deposit and bankers acceptances and other investments, the face amount thereof, plus accrued interest.

If more than one provision of this definition of "fair market value" shall apply at any time to any particular investment, the fair market value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

(f) In the case of the Debt Service Reserve Fund, a "surplus" means the amount by which the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement. On each Debt Service Reserve Fund Valuation Date, and upon any withdrawal from the Debt Service Reserve Fund, the Trustee shall determine the amount on deposit in the Debt

Service Reserve Fund. If on any such date a deficiency exists, the Trustee shall notify the Issuer and the Institution of such deficiency and that such deficiency must be replenished by the Institution as required by Section 4.3(a)(vi) of the Loan Agreement. If a surplus exists, the Trustee shall notify the Issuer and the Institution thereof and, subject to the requirements of the Tax Regulatory Agreement, shall upon written instructions of the Institution transfer an amount equal to such surplus to the applicable subaccount of the Interest Account of the Bond Fund.

(g) Although the Issuer and the Institution each recognize that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the the Issuer and the Institution hereby agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 5.10 Application of Moneys in Certain Funds for Retirement of Bonds

. Notwithstanding any other provisions of this Indenture, if on any Interest Payment Date or redemption date the amounts held in the Funds established under this Indenture (other than the 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 X) and the payment of all fees, charges and expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents and all other amounts required to be paid hereunder and under each of the Security Documents, and the payment of any amounts which the Trustee is directed to rebate to the federal government pursuant to this Indenture and the Tax Regulatory Agreement, all amounts remaining in any Fund shall be paid to the Institution upon the expiration or sooner termination of the term of the Loan Agreement as provided in Section 4.3(g) of the Loan Agreement.

Section 5.12 Non-presentment of Bonds

. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, and funds sufficient to pay any such Bond shall have been made available to the Trustee for the benefit of the Holder or Holders thereof, together with interest to the date on which principal is due, all liability of the Issuer to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to pay such funds to the Person entitled thereto or if the Person is not known to the Trustee, to hold such funds, without liability for interest thereon, for the benefit of the Holder of such Bond, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, such Bond. Such amounts so held shall, pending

payment to the Holder of such Bond, (y) be subject to any rebate requirement as set forth in the Tax Regulatory Agreement or this Indenture, and (z) shall be uninvested, or, if invested, invested or re-invested only in Government Obligations maturing within thirty (30) days. Funds remaining with the Trustee as above and unclaimed for the earlier of two (2) years or one month less than the applicable statutory escheat period shall be paid to the Institution. After the payment of such unclaimed moneys to the Institution, the Holder of such Bond shall thereafter look only to the Institution for the payment thereof, and all obligations of the Trustee or such Paying Agent with respect to such moneys shall thereupon cease.

Section 5.13 Debt Service Reserve Fund

. (a) If on any Interest Payment Date or redemption date on the Bonds the amount in the applicable subaccount of the Interest Account of the Bond Fund (after taking into account amounts available to be transferred to the applicable subaccount of the Interest Account from the Project Fund) shall be less than the amount of interest then due and payable on such Series of Bonds, or if on any principal payment date on such Series of Bonds the amount in the applicable subaccount of the Principal Account shall be less than the amount of principal of such Series of Bonds then due and payable, or if on any Sinking Fund Installment payment date for such Series of Bonds the amount in the applicable subaccount of the Sinking Fund Installment Account of the Bond Fund shall be less than the amount of the Sinking Fund Installment then due and payable on such Series of Bonds, in each case, after giving effect to all payments received by the Trustee in immediately available funds by 10:00 a.m. (New York City time) on such date from or on behalf of the Institution or the Issuer on account of such interest, principal or Sinking Fund Installment, the Trustee forthwith shall transfer moneys from the applicable subaccount of the Debt Service Reserve Fund, first, to the applicable subaccount of the Interest Account, second to the applicable subaccount of the Principal Account, and third, to the applicable subaccount of the Sinking Fund Installment Account, all to the extent necessary to make good any such deficiency.

(b) The Trustee shall give to the Institution on or prior to each Loan Payment Date on which the Institution is obligated pursuant to Section 4.3(a)(vi) of the Loan Agreement to pay to the Trustee amounts in respect of any deficiency in the Debt Service Reserve Fund, telephonic notice (to be promptly confirmed in writing) specifying any such deficiency in the Debt Service Reserve Fund. The failure of the Trustee to deliver such notice or any defect in such notice shall not relieve the Issuer from any of its obligations hereunder or any other obligor from any of its obligations under any of the Security Documents.

(c) In the event that the Institution shall deliver written notice to the Trustee of its intention to redeem Bonds, the Institution may direct the Trustee to apply such amounts in the Debt Service Reserve Fund to effect such redemption such that the amount remaining in the Debt Service Reserve Fund upon such redemption shall not be less than the reduced Debt Service Reserve Fund Requirement as will be applicable to the remainder of the Bonds Outstanding.

ARTICLE VI

REDEMPTION OF BONDS

Section 6.01 Privilege of Redemption and Redemption Price

. Bonds or portions thereof subject to redemption prior to maturity shall be redeemable, upon mailed notice as provided in this Article, at the times, at the Redemption Prices and upon such terms in addition to and consistent with the terms contained in this Article as shall be specified in this Indenture and in said Bonds.

Section 6.02 Selection of Bonds to be Redeemed

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

Section 6.03 Notice of Redemption

. When redemption of any Bonds is requested or required pursuant to this Indenture, the Trustee shall give notice of such redemption in the name of the Issuer, specifying the name of the Series, CUSIP number, Bond numbers, the date of original issue of such Series, the date of mailing of the notice of redemption, maturities, interest rates and principal amounts of the Bonds or portions

thereof to be redeemed, the redemption date, the Redemption Price, and the place or places where amounts due upon such redemption will be payable (including the name, address and telephone number of a contact person at the Trustee) and specifying the principal amounts of the Bonds or portions thereof to be payable and, if less than all of the Bonds of any maturity are to be redeemed, the numbers of such Bonds or portions thereof to be so redeemed. Such notice shall further state that on such date there shall become due and payable upon each Bond or portion thereof to be redeemed the Redemption Price thereof together with interest accrued to the redemption date, and that from and after such date interest thereon shall cease to accrue and be payable. Such notice may set forth any additional information relating to such redemption. The Trustee, in the name and on behalf of the Issuer, (i) shall mail a copy of such notice by first class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, to the registered owners of any Bonds which are to be redeemed, at their last addresses, if any, appearing upon the registration books, but any defect in such notice shall not affect the validity of the proceedings for the redemption of such Series of Bonds with respect to which proper mailing was effected; and (ii) cause notice of such redemption to be sent to the national information service that disseminates redemption notices. Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. In the event of a postal strike, the Trustee shall give notice by other appropriate means selected by the Trustee in its discretion. If any Bond shall not be presented for payment of the Redemption Price within sixty (60) days of the redemption date, the Trustee shall mail a second notice of redemption to such Holder by first class mail, postage prepaid. Any amounts held by the Trustee due to non-presentment of Bonds for payments on or after any redemption date shall be retained by the Trustee for a period of at least one year after the final maturity date of such Bonds. Further, if any Holders of Bonds shall constitute registered depositories, the notice of redemption described in the first sentence of this Section 6.03 shall be mailed to such Holders at least two (2) days prior to the mailing of such notice to all Holders.

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

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

So long as the Securities Depository is effecting book entry transfers of the Bonds, the Trustee shall provide the notices specified above only to the Securities Depository. It is

expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Trustee, the Securities Depository, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Section 6.04 Payment of Redeemed Bonds

. (a) Notice having been given in the manner provided in Section 6.03, the Bonds or portions thereof so called for redemption shall become due and payable on the redemption dates so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date. If, on the redemption date, moneys for the redemption of all the Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be held by the Paying Agents so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the redemption date, (i) interest on the Bonds or portions thereof so called for redemption shall cease to accrue and become payable, (ii) the Bonds or portions thereof so called for redemption shall cease to be entitled to any lien, benefit or security under this Indenture, and (iii) the Holders of the Bonds or portions thereof so called for redemption shall have no rights in respect thereof, except to receive payment of the Redemption Price together with interest accrued to the redemption date. If said moneys shall not be so available on the redemption date, such Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

(b) Payment of the Redemption Price plus interest accrued to the redemption date shall be made to or upon the order of the registered owner only upon presentation of such Bonds for cancellation and exchange as provided in Section 6.05; provided, however, that any Holder of at least $1,000,000 in original aggregate principal amount of the Initial Bonds may, by written request to the Trustee no later than five (5) days prior to the date of redemption, direct that payments of Redemption Price and accrued interest to the date of redemption be made by wire transfer as soon as practicable after tender of the Bonds in federal funds at such wire transfer address as the owner shall specify to the Trustee in such written request.

Section 6.05 Cancellation of Redeemed Bonds

. (a) All Bonds redeemed in full under the provisions of this Article, shall forthwith be cancelled and returned to the Issuer and no Bonds shall be executed, authenticated or issued hereunder in exchange or substitution therefor, or for or in respect of any paid portion of a Bond.

(b) If there shall be drawn for redemption less than all of a Bond, as described in Section 6.02, the Issuer shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed balance of the principal amount of the Bond so surrendered, a Bond or Bonds of like Series and maturity in any of the authorized denominations.

Section 6.06 No Partial Redemption After Default

. Anything in this Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default hereunder, there shall be no redemption of less than all of the Bonds Outstanding.

ARTICLE VII

PARTICULAR COVENANTS

Section 7.01 Payment of Principal and Interest

. The Issuer covenants that it will from the sources herein contemplated promptly pay or cause to be paid the principal, Purchase Price or Redemption Price of, and Sinking Fund Installments for, the Bonds, together with interest accrued thereon, at the place, on the dates and in the manner provided in this Indenture and in the Bonds according to the true intent and meaning thereof.

Section 7.02 Performance of Covenants; Authority

. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly its Organizational Documents, to issue the Bonds authorized hereby and to execute this Indenture, to make the Loan to the Institution pursuant to the Loan Agreement and the Promissory Note, to assign the Loan Agreement and the Promissory Note, to execute and deliver the Assignment of Mortgage, and to pledge the loan payments, revenues and receipts hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be the valid and enforceable special limited revenue obligations of the Issuer according to the import thereof.

Section 7.03 Books and Records; Certificate as to Defaults

. The Issuer and the Trustee each covenant and agree that, so long as any of the Bonds shall remain Outstanding, proper books of record and account will be kept showing complete and correct entries of all transactions relating to the Project and the Facility, and that the Bondholders shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. In this regard, so long as the Loan Agreement is in full force and effect, records furnished by the Issuer and the Institution to, or kept by, the Trustee in connection with its duties as such shall be deemed to be in compliance with the Issuer's obligations under this Section 7.03. Within thirty (30) days after receiving the certificate from the Institution as provided in Section 8.26(b) of the Loan Agreement, the Trustee shall render to the Issuer a statement that moneys received by the Trustee pursuant to the Loan Agreement and the Promissory Note were applied by it to the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds, at the place, on the dates and in the manner provided in this Indenture and that the Trustee has no knowledge of any defaults under this Indenture, the Promissory Note or the Loan Agreement or any other Security Document or specifying the particulars of such defaults which may exist.

Upon reasonable written request, the Trustee shall make available to the Institution for its inspection during normal business hours, its records with respect to the Project and the Facility.

The Trustee agrees that, upon the written request of the Institution or the Issuer, it will, not more than twice in each calendar year, provide a statement to the requesting party setting forth the principal amount of Bonds Outstanding as of the date of such statement.

Section 7.04 Loan Agreement

. An executed copy of the Loan Agreement will be on file in the office of the Issuer and in the designated corporate trust office of the Trustee. Reference is hereby made to the Loan Agreement for a detailed statement of the terms and conditions thereof and for a statement of the rights and obligations of the parties thereunder. All covenants and obligations of the Institution under the Loan Agreement shall be enforceable either by the Issuer or by the Trustee, to whom, in its own name or in the name of the Issuer, is hereby granted the right, to the extent provided therefor in this Section 7.04 and subject to the provisions of Section 9.02, to enforce all rights of the Issuer and all obligations of the Institution under the Loan Agreement, whether or not the Issuer is enforcing such rights and obligations. The Trustee shall take such action in respect of any matter as is provided to be taken by it in the Loan Agreement (including, without limitation, Sections 3.5, 6.3 and 8.10 thereof) upon compliance or noncompliance by the Institution and the Issuer with the provisions of the Loan Agreement relating to the same.

Section 7.05 Creation of Liens; Indebtedness

. It is the intention of the Issuer and the Trustee that 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 or charge upon or pledge of the Trust Estate, except the lien, charge and pledge created by this Indenture and the other Security Documents.

Section 7.06 Ownership; Instruments of Further Assurance

. The Trustee on behalf of the Institution, subject to Section 7.04 and only upon the written direction of any Bondholder, shall defend the interest of the Institution in the Facility and every part thereof for the benefit of the Holders of the Bonds, to the extent permitted by law, against the claims and demands of all Persons whomsoever. The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee all and singular the property described herein and in the remainder of the Trust Estate, subject to the liens, pledge and security interests of this Indenture and of the other Security Documents and the loan payments, revenues and receipts pledged hereby to the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien, pledge and security interest hereof (other than the Institution's Property as defined in the Loan Agreement) and of the other Security Documents shall ipso facto, and without any further conveyance, assignment or act on the part of the Issuer or the Trustee, become and be subject to the lien, pledge and security interest of this Indenture and the Mortgage as fully and completely as though specifically described herein and therein, but nothing in this

sentence contained shall be deemed to modify or change the obligations of the Issuer heretofore made by this Section 7.06.

Section 7.07 Security Agreement; Filing

. (a) This Indenture constitutes a "security agreement" within the meaning of Article 9 (Secured Transactions) of the New York State Uniform Commercial Code. The security interest of the Trustee, as created by this Indenture, in the rights and other intangible interests described herein, shall be perfected by the filing of a financing statement by the Institution, at the direction of the Issuer, in the office of the Secretary of State of the State in the City of Albany, New York, which financing statement shall be in accordance with the New York State Uniform Commercial Code-Secured Transactions. Subsequent to the foregoing filings, this Indenture shall be re-indexed, and financing and continuation statements shall be filed and re-filed, by the Trustee whenever in the Opinion of Counsel to the Institution (which opinion shall be reasonably acceptable to and addressed to the Trustee) such action is necessary to preserve the lien and security interest hereof. Any such filings or re-filings shall be prepared and filed by the Institution and delivered to the Trustee (if electronic filing is not elected by the Issuer) on a timely basis accompanied by any fees or requisite charges and the Opinion of Counsel referred to above. The Trustee will thereupon effect any such filings and re-filings of financing and continuation statements in said office of the Secretary of State, and promptly notify the Institution of any such filings.

(b) The Issuer and the Trustee acknowledge that, as of the Closing Date,

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

(ii) Section 9-102(67) of the New York State Uniform Commercial Code defines a "public-finance transaction" as a secured transaction in connection with which (x) debt securities are issued, (y) all or a portion of the debt securities issued have an initial stated maturity of at least twenty (20) years, and (z) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a security interest is a state or a governmental unit of a state, and

(iii) subject to any future change in law, the initial financing statement as shall be filed with respect to the security interest described above shall therefore have an effective period of thirty (30) years after the date of filing, for the purpose of determining the date by which continuation statements shall be filed.

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

Subsequent to the initial filings, if it is necessary to re-file financing statements and/or file continuation statements and/or take any other actions to preserve the lien and security interest of this Indenture (individually or collectively, the "**Continuation Action(s)**"), then the Institution in a timely manner shall: (A) as applicable, (i) prepare and deliver to the Trustee all necessary instruments and filing papers, together with remittances equal to the cost of required filing fees and other charges, so that the Trustee may perform the Continuation Actions, or (ii) electronically perform the Continuation Actions and deliver to the Trustee written certification (upon which the Trustee may conclusively rely) that such performance has occurred, specifying the Continuation Actions performed, or (iii) perform some of the Continuation Actions in the manner described in clause "(i)" and the others in the manner described in clause "(ii)"; and (B) if requested by the Trustee (acting at the direction of the Majority Holders) or the Issuer, deliver or cause to be delivered to the Issuer and the Trustee the Opinion of Counsel to the Institution as described below. The Trustee may conclusively rely upon (y) when applicable, the certification referred to in clause "(A)(ii)," and (z) in all instances, the Opinion of Counsel to the Institution. In the event the Institution chooses to have the Trustee perform all or some of the Continuation Actions, as provided in clause "(A)(i)", the Trustee shall reasonably promptly perform such Continuation Actions at the Institution's sole expense. The Institution shall perform the obligations described hereinabove in clauses "(A)" (in every case) and "(B)" (if so requested) no later than ten (10) days prior to (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) each fifth (5th) anniversary thereafter, and/or (ii) the date (not covered by clause "(i)") on which a Continuation Action is to be taken to preserve the lien and security interest of this Indenture.

If an Opinion of Counsel to the Institution is requested pursuant to clause "(B)", then the Opinion of Counsel to the Institution shall be addressed to the Institution, the Issuer and the Trustee. If so requested, the Institution shall deliver successive Opinions of Counsel in respect of (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) every five-year anniversary thereafter through the term of the Initial Bonds, and/or (ii) the date of any required Continuation Action not covered by clause "(i)," in each case not later than fifteen (15) days prior to the date on which a Continuation Action is required to be taken. In the Opinion of Counsel to the Institution, counsel shall opine as to: (i) what Continuation Actions are necessary; and (ii) the deadline dates for the required Continuation Actions; and (iii) the jurisdictions in which the Continuation Actions must be effected. Counsel in such opinion shall additionally opine that, upon performance of the Continuation Actions by, as the case may be, (i) the Trustee with instruments and papers prepared by the Institution, or (ii) the Institution through electronic filing, or (iii) the Trustee as to some Continuation Actions, and the Institution as to the others through electronic filings, all appropriate steps shall have been taken on the part of the Institution, the Issuer and the Trustee then requisite to the maintenance of the perfection of the security interest of the Trustee in and to all property and interests which by the terms of this Indenture are to be subjected to the lien and security interest of this Indenture.

(d) Any filings with respect to Uniform Commercial Code financing statements may be made electronically, and the Issuer shall have the right to designate a company (which shall be reasonably acceptable to the Trustee) to facilitate the filing of Uniform Commercial Code financing statements.

(e) The Trustee acknowledges and agrees (on behalf of itself and the Bondholders) that neither the Issuer, nor any of its directors, members, officers, employees,

servants, agents, persons under its control or supervision, or attorneys (including Nationally Recognized Bond Counsel to the Issuer), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(f) All costs (including reasonable attorneys' fees and expenses) incurred in connection with the effecting of the requirements specified in this Section shall be paid by the Institution.

Section 7.08 Issuer Tax Covenant

. The Issuer covenants that it shall not take any action within its control, nor refrain from taking any action reasonably requested by the Institution or the Trustee, that would cause the interest on the 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 Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (B) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Issuer or the Institution fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within sixty (60) days of delivery of said notice;

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

(b) Upon the happening and continuance of any Event of Default, unless the principal of all the Bonds shall have already become due and payable, either the Trustee (by notice in writing to the Issuer and the Institution) or the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding (by notice in writing to the Issuer, the Institution and the Trustee) may declare the principal or Redemption Price, if any, of all the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon such declaration the same shall become and be immediately due and payable, anything in this Indenture or in any of the Bonds contained to the contrary notwithstanding.

(c) If there shall occur an Event of Default under Section 9.1(d) or (e) of the Loan Agreement, the unpaid principal of all the Bonds (and all principal installments of loan payments under the Loan Agreement) and the interest accrued thereon shall be due and payable immediately without the necessity of any declaration or other action by the Trustee or any other Person.

(d) The right of the Trustee or of the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding to make any such declaration as aforesaid,

however, is subject to the condition that if, at any time before such declaration, all overdue installments of principal of and interest on all of the Bonds which shall have matured by their terms and the unpaid Redemption Price of the Bonds or principal portions thereof to be redeemed has been paid by or for the account of the Issuer, and all other Events of Default have been otherwise remedied, and the reasonable and proper charges, expenses and liabilities of the Trustee, shall either be paid by or for the account of the Issuer or provision satisfactory to the Trustee shall be made for such payment and the Facility shall not have been sold or otherwise encumbered, and all defaults have been otherwise remedied as provided in this Article VIII, then and in every such case any such default and its consequences shall ipso facto be deemed to be annulled, but no such annulment shall extend to or affect any subsequent default or impair or exhaust any right or power consequent thereon.

(e) Pursuant to the Loan Agreement, the Issuer has granted to the Institution full authority for the account of the Issuer to perform any covenant or obligation the non-performance of which is alleged in any notice received by the Institution to constitute a default hereunder, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts with power of substitution. The Trustee agrees to accept such performance by the Institution as performance by the Issuer.

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 Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding shall proceed, to protect and enforce its rights and the rights of the Bondholders under the Bonds, the Loan Agreement, this Indenture and under any other Security Document forthwith by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, whether for the specific performance of any covenant or agreement contained in this Indenture or in any other Security Document or in aid of the execution of any power granted in this Indenture or in any other Security Document or for the enforcement of any legal or equitable rights or remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights or to perform any of its duties under this Indenture or under any other Security Document. In addition to any rights or remedies available to the Trustee hereunder or elsewhere, upon the occurrence and continuance of an Event of Default the Trustee may take such action, without notice or demand, as it deems advisable.

(b) In the enforcement of any right or remedy under this Indenture or under any other Security Document, the Trustee shall be entitled to sue for, enforce payment on and receive any or all amounts then or during any default becoming, and any time remaining, due from the Issuer, for principal, interest, Sinking Fund Installments, Redemption Price, or otherwise, under any of the provisions of this Indenture, of any other Security Document or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in the Bonds, together with any and all costs and expenses of collection and of all proceedings under this Indenture, under any such other Security Document and under the Bonds, without prejudice to any other right or remedy of the Trustee or of the Bondholders, and to recover and enforce judgment or decree against the Issuer, but solely as provided in this Indenture and in the Bonds, for any

portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect (but solely from the moneys in the Bond Fund and other moneys available therefor to the extent provided in this Indenture) in any manner provided by law, the moneys adjudged or decreed to be payable. The Trustee shall file proof of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and the Bondholders allowed in any judicial proceedings relative to the Institution or the Issuer or their creditors or property.

(c) Regardless of the occurrence of an Event of Default, the Trustee, if requested in writing by the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity, shall institute and maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security under this Indenture or under any other Security Document by any acts which may be unlawful or in violation of this Indenture or of such other Security Document or of any resolution authorizing any Bonds, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders; provided, that such request shall not be otherwise than in accordance with the provisions of law and of this Indenture and shall not be unduly prejudicial to the interests of the Holders of the Bonds not making such request.

Section 8.03 Application of Revenues and Other Moneys After Default

. (a) All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article or under any other Security Document shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited and available for payment of the Bonds shall be applied, subject to Section 9.04, as follows:

(i) Unless the principal of all of the Bonds shall have become or have been declared due and payable,

First - To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second - To the payment to the Persons entitled thereto of the unpaid principal or Redemption Price, if any, of any of the Bonds or principal installments which shall have become due (other than Bonds or principal installments called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full Bonds or principal installments due on any particular date, together with such interest, then to the payment ratably,

according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become or have been declared due and payable, to the payment to the Bondholders of the principal and interest (at the rate or rates expressed in the Bonds) then due and unpaid upon the Bonds and if applicable to the Redemption Price of the Bonds without preference or priority of principal over interest or of interest over principal, Sinking Fund Installments, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VIII, then, subject to the provisions of Section 8.03(a)(B) which shall be applicable in the event that the principal of all the Bonds shall later become due and payable, the moneys shall be applied in accordance with the provisions of Section 8.03(a)(i).

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; provided, however, that if the principal or Redemption Price of the Bonds Outstanding, together with accrued interest thereon, shall have been declared to be due and payable pursuant to Section 8.01, such date of declaration shall be the date from which interest shall cease to accrue. The Trustee shall give such written notice to all Bondholders as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.04 Actions by Trustee

. All rights of actions under this Indenture, under any other Security Document or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Holders of the Bonds, and any recovery of judgment shall, subject to the provisions of Section 8.03, be for the equal benefit of the Holders of the Outstanding Bonds.

Section 8.05 Majority Holders Control Proceedings

. Anything in this Indenture to the contrary notwithstanding, the Majority Holders shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the

enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 8.06 Individual Bondholder Action Restricted

. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding at law or in equity (i) with respect to the Bonds, this Indenture or any other Security Document, (ii) for the enforcement of any provisions of the Bonds, this Indenture or of any other Security Document, (iii) for the execution of any trust under this Indenture or (iv) for any remedy under the Bonds, this Indenture or under any other Security Document, unless such Holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as provided in this Article, and the Holders of over twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the Bonds, this Indenture or in such other Security Document or by the laws of the State or to institute such action, suit or proceeding in its own name, and unless such Holders shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused to comply with such request for a period of sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by his, its or their action to affect, disturb or prejudice the pledge created by this Indenture, or to enforce any right under this Indenture except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of the Bonds or this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and, subject to the provisions of Section 8.03, be for the equal benefit of all Holders of the Outstanding Bonds.

(b) Nothing in this Indenture, in any other Security Document or in the Bonds contained shall affect or impair the right of any Bondholder to payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on each of the Bonds to the respective Holders thereof at the time, place, from the source and in the manner herein and in said Bonds expressed.

Section 8.07 Effect of Discontinuance of Proceedings

. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the Institution, the Issuer, the Trustee and the Bondholders shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Trustee shall continue as in effect prior to the commencement of such proceedings.

Section 8.08 Remedies Not Exclusive

. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee 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 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 and the Holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient by the Trustee or by the Bondholders.

Section 8.10 Notice of Default

. The Trustee shall promptly mail to the Issuer, 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 Majority Holders; provided, however, that there shall not be waived without the consent of the Holders of all the Bonds Outstanding (a) any default in the payment of the principal of any Outstanding Bonds at the date specified therein or (b) any default in the payment when due of the interest on any such Bonds, unless, prior to such waiver, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect of which such default shall have occurred, and all arrears of payment of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Institution, the Issuer, the Trustee 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 Nonforeclosure Remedies

Section 8.13 . Notwithstanding any provision hereof or of under any other Security Document, upon the occurrence of an Event of Default, no such remedy or other action (whether exercised by the Trustee, the Majority Holders or the Holders of the Bonds) shall have the effect of (x) continuing the exemption from the mortgage recording tax of the Mortgage upon any restructuring of the underlying indebtedness secured by the Mortgage (a "**Mortgage Restructuring**"), (y) amending or terminating any Security Document (other than through a forbearance) to which the Issuer is a party (a "**Security Document Action**") or (z) substituting for

the Institution and/or the Organization, a new Entity to either be a counterparty to the Issuer under this Agreement or as a user or lessee all or a portion of the Facility (a "**Substitute Entity**"), unless, in either case, a reasonable description of such Mortgage Restructuring, Security Document Action and/or Substitute Entity shall have been set forth in a writing delivered to the Issuer together with a request for approval and (i) the Mortgage Restructuring, Security Document Action and/or 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 Bonds to become subject to federal income taxation by reason of either such Mortgage Restructuring, Security Document Action and/or Substitute Entity. For the avoidance of doubt, no Issuer consent is required hereby for the entry into a forbearance agreement by the Trustee, the commencement of a foreclosure action under the Mortgage or the appointment of a receiver over the Institution or the Organization or any collateral for the Bonds. 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 no later than fourteen (14) Business Days after the occurrence of the earlier of: (A) the Trustee's receipt of direction to effectuate such retirement or cancellation, and (B) the Trustee's receipt of surrendered Bonds for cancellation.

Section 8.13 Termination of Default. Once an Event of Default has been cured in accordance with the provisions of this Indenture, such Event of Default will be deemed to no longer exist and the Trustee shall notify the Institution in writing that such Event of Default has been cured and all corrective actions under this Indenture shall immediately cease unless or until another Event of Default shall occur.

ARTICLE IX

TRUSTEE, BOND REGISTRAR AND PAYING AGENTS

Section 9.01 Appointment and Acceptance of Duties of Trustee

. The entity identified as the Trustee on the cover page hereof is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee hereunder and under each Security Document by executing this Indenture and agrees to perform said trusts as a corporate trustee ordinarily would under a corporate mortgage subject to the express terms and conditions herein. All provisions of this Article IX shall be construed as extending to and including all the rights, duties and obligations imposed upon the Trustee under the Loan Agreement and under any other Security Document to which it shall be a party as fully for all intents and purposes as if this Article IX were contained in the Loan Agreement and each such other Security Document.

Section 9.02 Indemnity of Trustee

. The Trustee shall be under no obligation to institute any suit, or to take any remedial or legal action under this Indenture or under or pursuant to any other Security Document or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers or fulfillment of any extraordinary duties under this Indenture, or under any other Security Document, until it shall be indemnified to its satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, and counsel fees and other disbursements, and against all liability not due to its willful misconduct or gross negligence.

Section 9.03 Responsibilities of Trustee

. (a) The Trustee shall have no responsibility in respect of the validity or sufficiency of this Indenture or of any other Security Document or the security provided hereunder or thereunder or the due execution of this Indenture by the Issuer, or the due execution of any other Security Document by any party (other than the Trustee) thereto, or in respect of the title or the value of the Facility, or in respect of the validity of the Bonds authenticated and delivered by the Trustee in accordance with this Indenture or to see to the recording or filing of any document or instrument whatsoever except as otherwise provided in Section 7.07. The recitals, statements and representations contained in this Indenture and in the Bonds shall be taken and be construed as made by and on the part of the Issuer and not by the Trustee, and the Trustee does not assume any responsibility for the correctness of the same; provided, however, that the Trustee shall be responsible for its representation contained in its certificate on the Bonds and for its responsibility as to filing or re-filing as contained in Section 7.07.

(b) The Trustee shall not be liable or responsible because of the failure of the Issuer to perform any act required of it by this Indenture or by any other Security Document or because of the loss of any moneys arising through the insolvency or the act or default or omission of any depositary other than itself in which such moneys shall have been deposited under this Indenture or the Tax Regulatory Agreement. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid

out, invested, withdrawn or transferred in accordance with this Indenture or the Tax Regulatory Agreement or for any loss resulting from any such investment. The Trustee shall not be liable in connection with the performance of its duties under the Loan Agreement, under this Indenture or under any other Security Document except for its own willful misconduct or gross negligence. The immunities and exemptions from liability of the Trustee shall extend to its directors, officers, employees, agents and servants and persons under the Trustee's control or supervision.

(c) The Trustee, prior to the occurrence of an Event of Default and after curing of all Events of Default which may have occurred, if any, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise as a prudent man would exercise under the circumstances in the conduct of his own affairs. 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 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 or any Bondholder or former Bondholder.

(d) The Trustee shall not be liable or responsible for the failure of the Institution to effect or maintain insurance on the Facility as provided in the Loan Agreement or the Mortgage nor shall it be responsible for any loss by reason of want or insufficiency in insurance or by reason of the failure of any insurer in which the insurance is carried to pay the full amount of any loss against which it may have insured the Issuer, the Institution, the Trustee or any other Person.

(e) The Trustee shall execute and cause to be filed those continuation statements, any additional financing statements and all other instruments required by it by Section 7.07 at the expense of the Institution.

(f) The Trustee shall on the same date as it shall render the statement required of it by Section 7.03, make annual reports to the Issuer and the Institution of all moneys received and expended during the preceding year by it under this Indenture and of any Event of Default known to it under the Loan Agreement or this Indenture or under any other Security Document.

(g) With respect to the Tax Regulatory Agreement, the Trustee shall not be required to make any payment of a Rebate Amount or any transfer of funds or take any other action required to be taken thereunder except upon the receipt of a written certificate of direction of an Authorized Representative of the Institution delivered to the Trustee in accordance with the terms of the Tax Regulatory Agreement. Notwithstanding any provision of the Tax Regulatory Agreement or any other Security Document, nothing in the Tax Regulatory Agreement, either expressed or implied, shall be deemed to impose upon the Trustee any responsibility for the legal sufficiency of the Tax Regulatory Agreement to effect compliance with the Code nor any duty to

independently review or verify any information or calculation furnished to the Trustee by the Institution.

(h) The permissive right of the Trustee to do things enumerated in this Indenture or the other Security Documents shall not be construed as a duty, and in doing or not doing so the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

Section 9.04 Compensation of Trustee, Bond Registrar and Paying Agents

. The Trustee, the Bond Registrar and Paying Agents shall be entitled to receive and collect from the Institution as provided in the Loan Agreement payment or reimbursement for reasonable fees for services rendered hereunder and under each other Security Document and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee, the Bond Registrar or Paying Agents in connection therewith. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a first right of payment prior to payment on account of the principal of or interest on any Bonds, upon the revenues (but not including any amounts held by the Trustee under Section 5.12, 6.04 or Article X) for the foregoing advances, fees, costs and expenses incurred.

Section 9.05 Evidence on Which Trustee May Act

. (a) In case at any time it shall be necessary or desirable for the Trustee to make any investigation respecting any fact preparatory to taking or not taking any action, or doing or not doing anything, as such Trustee, and in any case in which this Indenture provides for permitting or taking any action, it may rely upon any certificate required or permitted to be filed with it under the provisions of this Indenture, and any such certificate shall be evidence of such fact to protect it in any action that it may or may not take, or in respect of anything it may or may not do, in good faith, by reason of the supposed existence of such fact.

(b) The Trustee may conclusively rely and shall be fully protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person, or to have been prepared and furnished pursuant to any of the provisions of this Indenture, or, at the sole cost and expense of the Institution, and when determined necessary in the reasonable discretion of the Trustee, upon the written opinion of any attorney (who may be an attorney for the Issuer or an employee of the Institution), engineer, appraiser, architect or accountant believed by the Trustee to be qualified in relation to the subject matter.

Section 9.06 Trustee and Paying Agents May Deal in Bonds

. Any national banking association, bank or trust company acting as a Trustee or Paying Agent, and its respective directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled

to take with like effect as if such association, bank or trust company were not such Trustee or Paying Agent.

Section 9.07 Resignation or Removal of Trustee

. The Trustee may resign and thereby become discharged from the trusts created under this Indenture for any reason by giving written notice by first class mail, postage prepaid, to the Issuer, to the Institution and to the Holders of all Bonds not less than sixty (60) days before such resignation is to take effect, but such resignation shall not take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.08.

The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed by the Issuer or the Majority Holders or their attorneys-in-fact duly authorized. Such removal shall become effective either upon the appointment and acceptance of such appointment by a successor Trustee or at the date specified in the instrument of removal. The Trustee shall promptly give notice of such filing to the Issuer and the Institution. No removal shall take effect until the appointment and acceptance thereof of a successor Trustee pursuant to Section 9.08.

If the Trustee shall resign or shall be removed, such Trustee must transfer and assign to the successor Trustee, not later than the date of this acceptance by the successor Trustee of its appointment as such, or thirty (30) days from the date specified in the instrument of removal or resignation, if any, whichever shall last occur, (i) all amounts (including all investments thereof) held in any Fund or Account under this Indenture, together with a full accounting thereof, (ii) all records, files, correspondence, registration books, Bond inventory, all information relating to this Indenture and to Bond payment status (i.e., outstanding principal balances, principal payment and interest payment schedules, Sinking Fund Installment schedules, pending notices of redemption, payments made and to whom, delinquent payments, default or delinquency notices, deficiencies in any Fund or Account balance, etc.) and all such other information (in whatever form) relating to all Funds and Accounts in the possession of the Trustee being removed or resigning, and (iii) all Security Documents and other documents or agreements, including, without limitation, all Uniform Commercial Code Financing Statements, all insurance policies or certificates, letters of credit or other instruments provided to the Trustee being removed or resigning (clauses (i), (ii) and (iii), together with the Trust Estate, being collectively referred to as the "**Trust Corpus**").

Section 9.08 Successor Trustee

. (a) If at any time the Trustee shall be dissolved or otherwise become incapable of acting or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator thereof, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the position of Trustee shall thereupon become vacant. If the position of Trustee shall become vacant for any of the foregoing reasons or for any other reason or if the Trustee shall resign, the Institution shall cooperate with the Issuer and the Issuer shall appoint a successor Trustee and shall use its best efforts to obtain acceptance of such trust by the successor Trustee within sixty (60) days from such vacancy or notice of resignation. Within twenty (20) days after such appointment and acceptance, the Issuer shall notify in writing the Institution and the Holders of all Bonds.

(b) In the event of any such vacancy or resignation and if a successor Trustee shall not have been appointed within sixty (60) days of such vacancy or notice of resignation, the Majority Holders, by an instrument or concurrent instruments in writing, signed by such Bondholders or their attorneys-in-fact thereunto duly authorized and filed with the Issuer, may appoint a successor Trustee which shall, immediately upon its acceptance of such trusts, and without further act, supersede the predecessor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section 9.08, within ninety (90) days of such vacancy or notice of resignation, the Holder of any Bond then Outstanding, the Issuer or any retiring Trustee or the Institution may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

(c) Any Trustee appointed under this Section shall be a national banking association or a bank or trust company duly organized under the laws of any state of the United States authorized to exercise corporate trust powers under the laws of the State and authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document. At the time of its appointment, any successor Trustee shall (x) have a capital stock and surplus aggregating not less than $100,000,000 and (y) have an investment grade rating of at least "Baa3" or "P-3".

(d) Any predecessor Trustee shall transfer to any successor Trustee appointed under this Section as a result of a vacancy in the position the Trust Corpus by a date not later than thirty (30) days from the date of the acceptance by the successor Trustee of its appointment as such. Where no vacancy in the position of the Trustee has occurred, the transfer of the Trust Corpus shall take effect in accordance with the provisions of Section 9.07.

(e) Every successor Trustee shall execute, acknowledge and deliver to its predecessor, and also to the Issuer, an instrument in writing accepting such appointment, and thereupon such successor Trustee, without any further act, deed, or conveyance, shall become fully vested with all moneys, estates, properties, rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessor, with like effect as if originally named as such Trustee; but such predecessor shall, nevertheless, on the written request of its successor or of the Issuer, and upon payment of the compensation, expenses, charges and other disbursements of such predecessor which are due and payable pursuant to Section 9.04, execute and deliver an instrument transferring to such successor Trustee all the estate, properties, rights, immunities, powers and trusts of such predecessor and the Trust Corpus; and every predecessor Trustee shall deliver all property and moneys, together with a full accounting thereof, held by it under this Indenture to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such Trustee the estate, properties, rights, immunities, powers and trusts vested or intended to be vested in the predecessor Trustee, any such instrument in writing shall, on request, be executed, acknowledged and delivered by the Issuer. Any successor Trustee shall promptly notify the Issuer and the Paying Agent of its appointment as Trustee.

(f) Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a national

banking association or a bank or trust company duly organized under the laws of any state of the United States and shall be authorized by law and its charter to perform all the duties imposed upon it by this Indenture and each other Security Document shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act.

Section 9.09 Paying Agents

. (a) The Trustee is hereby appointed as Paying Agent for the Bonds. The Issuer may also from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 9.09(b) for the appointment of a successor Paying Agent. Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Issuer, and in the case of all Paying Agents other than the Trustee, to the Trustee a written acceptance thereof. The principal offices of the Paying Agents are designated as the respective offices or agencies of the Issuer for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds. Each Paying Agent shall not be liable in connection with the performance of its duties hereunder except for its own willful misconduct or gross negligence.

(b) Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days prior written notice to the Issuer and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by the Issuer. Any successor Paying Agent shall be appointed by the Issuer, with the approval of the Trustee, and shall be a commercial bank or trust company duly organized under the laws of any state of the United States or a national banking association, having a capital stock and surplus aggregating at least $40,000,000, having an investment grade rating of at least "Baa3" or "P-3", and willing and able to accept the office on reasonable and customary terms and authorized by law and its charter to perform all the duties imposed upon it by this Indenture.

(c) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 9.10 Appointment of Co-Trustee

. (a) It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture or under any other Security Document, and in particular in case of the enforcement of any powers, rights or remedies on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional institution as a separate trustee or co-trustee. The following provisions of this Section are adapted to these ends.

(b) In the event that the Trustee appoints an additional institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them. Such co-trustee may be removed by the Trustee at any time, with or without cause.

(c) Should any instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed or removed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

(d) No trustee shall be liable for the acts or omissions of any other trustee hereunder.

Section 9.11 Patriot Act

. The Trustee hereby acknowledges that in accordance with Section 326 of the U.S.A. Patriot Act (being the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56, as amended, and signed into law October 26, 2001), each depositary bank, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with a depositary bank. The Trustee hereby acknowledges that it shall obtain such information from the other Notice Parties as may be required in order for it to satisfy the requirements of the U.S.A. Patriot Act.

ARTICLE X

DISCHARGE OF INDENTURE; DEFEASANCE

Section 10.01 Defeasance

. (a) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Bonds the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, interest and all other amounts due or to become due thereon or in respect thereof, at the times and in the manner stipulated therein and in this Indenture, and all fees and expenses and other amounts due and payable under this Indenture and the Loan Agreement, and any other amounts required to be rebated to the federal government pursuant to the Tax Regulatory Agreement or this Indenture, shall be paid in full, then the pledge of any loan payments, revenues or receipts from or in connection with the Security Documents or the Facility under this Indenture and the estate and rights hereby granted, and all covenants, agreements and other obligations of the Issuer to the Bondholders hereunder shall thereupon cease, terminate and become void and be discharged and satisfied and the Bonds shall thereupon cease to be entitled to any lien, benefit or security hereunder, except as to moneys or securities held by the Trustee or the Paying Agents as provided below in this subsection. At the time of such cessation, termination, discharge and satisfaction, (1) the Trustee shall cancel and discharge the lien of this Indenture and 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 Agents shall pay over or deliver to the Institution or on its order all moneys or securities held by them pursuant to this Indenture which are not required (i) for the payment of the principal or Redemption Price, if applicable, Sinking Fund Installments for, or interest on Bonds not theretofore surrendered for such payment or redemption, (ii) for the payment of all such other amounts due or to become due under the Security Documents, or (iii) for the payment of any amounts the Trustee has been directed to pay to the federal government under the Tax Regulatory Agreement or this Indenture.

(b) Bonds or interest installments for the payment or redemption of which moneys (or Defeasance Obligations which shall not be subject to call or redemption or prepayment prior to maturity and the full and timely payment of the principal of and interest on which when due, together with the moneys, if any, set aside at the same time, will provide funds sufficient for such payment or redemption) shall then be set aside and held in trust by the Trustee or Paying Agents, whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in subsection (a) of this Section, if (i) in case any such Bonds are to be redeemed prior to the maturity thereof, all action necessary to redeem such Bonds shall have been taken and notice of such redemption shall have been duly given or provision satisfactory under the requirements of this Indenture to the Trustee shall have been made for the giving of such notice, and (ii) if the maturity or redemption date of any such Bond shall not then have arrived, (y) provision shall have been made by deposit with the Trustee or other methods satisfactory to the Trustee for the payment to the Holders of any such Bonds of the full amount to which they would be entitled by way of principal or Redemption Price, Sinking Fund Installments, and interest and all other amounts then due under the Security Documents to the date of such maturity or redemption, and (z) provision satisfactory to the Trustee shall have been made for the mailing of a notice to the Holders of such Bonds that such moneys are so available for such payment on such maturity or redemption date.

Section 10.02 Defeasance Opinion and Verification

. Prior to any defeasance becoming effective as provided in Section 10.01(b), there shall have been delivered to the Issuer and to the Trustee (A) an opinion of Nationally Recognized Bond Counsel to the effect that interest on any Bonds being discharged by such defeasance will not become subject to federal income taxation by reason of such defeasance, and (B) a verification from an independent certified public accountant or firm of independent certified public accountants (in each case reasonably satisfactory to the Issuer and the Trustee) to the effect that the moneys and/or Defeasance Obligations are sufficient, without reinvestment, to pay the principal of, Sinking Fund Installments for, interest on, and redemption premium, if any, of the Bonds to be defeased.

Section 10.03 No Limitation of Rights of Holders

. No provision of this Article X, including any defeasance of Bonds, shall limit the rights of the Holder of any Bonds under Section 3.06, 3.07 or 3.09 until such Bonds shall have been paid in full.

ARTICLE XI

AMENDMENTS OF INDENTURE

Section 11.01 Limitation on Modifications

. This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article.

Section 11.02 Supplemental Indentures Without Bondholders' Consent

. (a) The Issuer and the Trustee may, from time to time and at any time, enter into Supplemental Indentures without the consent of the Bondholders 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.

(3) To add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(4) To add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with this Indenture as theretofore in effect.

(5) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture, of the properties of the Facility, or revenues or other income from or in connection with the Facility or of any other moneys, securities or funds, or to subject to the lien or pledge of this Indenture additional revenues, properties or collateral.

(6) To modify or amend such provisions of this Indenture as shall, in the opinion of Nationally Recognized Bond Counsel, be necessary to assure that the interest on the Bonds not be includable in gross income for federal income tax purposes.

(7) To effect any other change herein which, in the judgment of the Trustee, is not to the material prejudice of the Trustee or the Bondholders.

(8) To modify, amend or supplement this Indenture or any Supplemental Indenture in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of

any of the states of the United States of America, and, if they so determine, to add to this Indenture or any Supplemental Indenture such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute.

(b) Before the Issuer and the Trustee shall enter into any Supplemental Indenture pursuant to this Section, there shall have been filed with the Trustee an opinion of Nationally Recognized Bond Counsel stating that such Supplemental Indenture is authorized or permitted by this Indenture and complies with its terms, and that upon execution it will be valid and binding upon the Issuer in accordance with its terms.

Section 11.03 Supplemental Indentures With Bondholders' Consent

. (a) Subject to the terms and provisions contained in this Article, the 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 11.03(a), without, in the case of items (ii) through and including (v) of this Section 11.03(a), the written consent of one hundred percent (100%) of the Holders of the Outstanding Bonds.

(b) If at any time the Issuer shall determine to enter into any Supplemental Indenture for any of the purposes of this Section, it shall cause notice of the proposed Supplemental Indenture to be mailed, postage prepaid, to 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 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 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 Holders of not less than the percentage of Bonds required by this Section shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond shall have any right to object to the execution of such Supplemental Indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(e) Upon the execution of any Supplemental Indenture pursuant to the provisions of this Section, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Issuer, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under this Indenture, subject in all respects to such modifications and amendments.

Section 11.04 Supplemental Indenture Part of this Indenture

. Any Supplemental Indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such Supplemental Indenture as to any provisions authorized to be contained therein shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall execute any Supplemental Indenture entered into in accordance with the provisions of Section 11.02 or 11.03.

ARTICLE XII

AMENDMENTS OF RELATED SECURITY DOCUMENTS

Section 12.01 Rights of Institution

. Anything herein to the contrary notwithstanding, any Supplemental Indenture entered into pursuant to Article XI which materially and adversely affects any rights, powers and authority of the Institution under the Loan Agreement or requires a revision of the Loan Agreement shall not become effective unless and until the Institution shall have given its written consent to such Supplemental Indenture signed by an Authorized Representative of the Institution.

Section 12.02 Amendments of Related Security Documents Not Requiring Consent of Bondholders

. The Issuer and the Trustee may, without the consent of or notice to the Bondholders, 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; and (vi) to make any other change that, in the judgment of the Trustee (which, in exercising such judgment, may conclusively rely, and shall be protected in relying, in good faith, upon an Opinion of Counsel or an opinion or report of engineers, accountants or other experts) does not materially adversely affect the Bondholders. The Trustee shall have no liability to any Bondholder or any other Person for any action taken by it in good faith pursuant to this Section. Before the Issuer or the Trustee shall enter into or consent to any amendment, change or modification to any of the Related Security Documents, there shall be filed with the Trustee an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change or modification will not cause the interest on any of the Bonds to cease to be excluded from gross income for federal income tax purposes under the Code.

Section 12.03 Amendments of Related Security Documents Requiring Consent of Bondholders

. Except as provided in Section 12.02, the Issuer and the Trustee shall not consent to any amendment, change or modification of any of the Related Security Documents, without mailing of notice and the written approval or consent of the Majority Holders given and procured as in Section 11.03 set forth; provided, however, there shall be no amendment, change or modification to (i) the obligation of the Institution to make loan payments with respect to the Bonds under the Loan Agreement or the Promissory Note or (ii) the Tax Regulatory Agreement, without the delivery of an opinion of Nationally Recognized Bond Counsel to the effect that such amendment, change, modification, reduction or postponement will not cause the interest on any Series of Bonds to become includable in gross income for federal income tax purposes. If at any time the Institution

shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change or modification to be mailed in the same manner as is provided in Article XI with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the principal office of the Trustee for inspection by 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 XIII

MISCELLANEOUS

Section 13.01 Evidence of Signature of Bondholders and Ownership of Bonds

. (a) Any request, consent, revocation of consent, approval, objection or other instrument which this Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by any Bondholder in person or by his duly authorized attorney appointed in writing. Proof of the execution of any such instrument, or of an instrument appointing any such attorney, shall be sufficient for any purpose of this Indenture (except as otherwise therein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable: the fact and date of the execution by any Bondholder or his attorney of such instruments may be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15, or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. For the purposes of the transfer or exchange of any Bond, the fact and date of the execution of the Bondholder or his attorney of the instrument of transfer shall be proved by a guarantee of the signature thereon by a member of the Stock Exchanges Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of his authority.

(b) The ownership of Bonds and the amount, numbers and other identification shall be proved by the registry books.

(c) Except as otherwise provided in Section 11.03 with respect to revocation of a consent, any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Trustee or any Paying Agent in accordance therewith.

Section 13.02 Notices

. Any notice, demand, direction, certificate, Opinion of Counsel, request, instrument or other communication authorized or required by this Indenture to be given to or filed with the Issuer, the Institution 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
One Liberty Plaza
New York, New York 10006
Attention: General Counsel

with a copy to

Build NYC Resource Corporation
One Liberty Plaza
New York, New York 10006
Attention: Executive Director

(2) if to the Institution, to

Seton Education Partners
441 East 148th Street
Bronx, New York 10455
Attention: Chief Financial Officer

with a copy to

Hunton Andrews Kurth LLP
600 Travis Street
Houston, TX 77002
Attention: Thomas A. Sage, Esq.

(3) if to the Trustee, to

The Bank of New York Mellon
240 Greenwich Street, Floor 7E
New York, New York 10286
Attention: Corporate Trust Administration

The Issuer, the Institution 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.

Section 13.03 Parties Interested Herein

. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the Institution, the Trustee, the Bond Registrar, the Paying Agents and the Holders of the Bonds, any right, remedy or claim under or by reason of this

Indenture or any covenant, condition or stipulation thereof. All covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Institution, the Trustee, the Bond Registrar, the Paying Agents and the Holders of the Bonds.

Section 13.04 Partial Invalidity

. If any one or more of the provisions of this Indenture or of the Bonds shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions hereof or of the Bonds, but this Indenture and the Bonds shall be construed and enforced as of such illegal or invalid provision had not been contained herein.

Section 13.05 Effective Date; Counterparts

. The date of this Indenture shall be for reference purposes only and shall not be construed to imply that this Indenture was executed on the date first above written. This Indenture was delivered on the Closing Date. This Indenture shall become effective upon its delivery on the Closing Date. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.06 Laws Governing Indenture

. This Indenture shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 13.07 No Pecuniary Liability of Issuer or Members; No Debt of the State or the City

. Every agreement, covenant and obligation of the Issuer under this Indenture is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall not create a debt of the State or the City and neither the State nor the City shall be liable on any obligation so incurred, and the Bonds shall not be payable out of any funds of the Issuer other than those pledged therefor but shall be a limited revenue obligation of the Issuer payable by the Issuer solely from the loan payments, revenues and receipts pledged to the payment thereof in the manner and to the extent in this Indenture specified and nothing in the Bonds, in the Loan Agreement, in this Indenture or in any other Security Document shall be considered as pledging any other funds or assets of the Issuer. The Issuer shall not be required under this Indenture or the Loan Agreement or any other Security Document to expend any of its funds other than (i) the proceeds of the Bonds, (ii) the loan payments, revenues and receipts and other moneys pledged to the payment of the Bonds, (iii) any income or gains therefrom, and (iv) the Net Proceeds with respect to the Facility. No provision, covenant or agreement contained in this Indenture or in the Bonds or any obligations herein or therein imposed upon the Issuer or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon its general credit.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, employee or agent of the Issuer

in his individual capacity, and no recourse shall be had for the payment of the principal or 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 13.08 Priority of Indenture Over Liens

. This Indenture and the Mortgage are given in order to secure funds to pay for the Project and by reason thereof, it is intended that this Indenture and the Mortgage shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon the Facility subsequent to the recordation of the Mortgage. In compliance with Section 13 of the Lien Law, the Issuer will receive the advances secured by this Indenture and the Mortgage and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvements and that the Issuer will apply the same first to the payment of the costs of improvements before using any part of the total of the same for any other purpose.

Section 13.09 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 13.10 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 13.11 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: _____
Emily Marcus
Deputy Executive Director

THE BANK OF NEW YORK MELLON, as Trustee

By: _____
Name: David J. O'Brien
Title: Vice President

[Signature Page to Indenture of Trust]

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

On the ___ day of November, of the year two thousand twenty-one, 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

STATE OF NEW JERSEY)
: ss.:
COUNTY OF PASSAIC)

On the ____ day of November, in the year two thousand twenty-one, before me, the undersigned, personally appeared **David J. O'Brien**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon the behalf of whom the individual acted, executed the instrument.

_____
Notary Public

APPENDICES

EXHIBIT A

DESCRIPTION OF THE LAND

PARCEL 1, P/O LOT 35

ALL the land demised to Seton Education Partners under the terms of that certain Lease dated as of October 1, 2019, as amended by that certain letter agreement dated October 1, 2019, being a portion of that certain parcel of land known on the tax map of the City of New York as Block 3218, Lot 35 (the "Land" being the real property known as 2336 Andrews Avenue North, Bronx, New York, which Land is more particularly described as follows:

ALL those certain lots, pieces or parcels of land, situate, lying and being in the Borough of Bronx, City of New York and known and distinguished as Lots 73, 72, 71, 70, 69, 68 and Part of Lot 67 on a certain map entitled "Amended Map of Property of Cammann Estate at Fordham Heights, Borough of the Bronx, City of New York, made by Joseph C.B. Webster, C.E. and C.S. May 1, 1899, filed in the Office of the Register of the County of New York on June 30, 1899, as Map No. 288, being more particularly bounded and described as follows:

BEGINNING at a point on the southeasterly side of Andrews Avenue North, said point being distant 764.00 feet easterly from the corner formed by the intersection of the northeasterly side of West 183"* Street and the southeasterly side of Andrews Avenue North,

RUNNING THENCE easterly along the said southeasterly side of Andrews Avenue North, 156.6 feet,

THENCE southerly and parallel with West 183rd Street, 15.9 feet,

THENCE easterly and parallel with Andrews Avenue North, 0.7 feet,

THENCE southerly and again parallel with West 183rd Street, 54.5 feet;

THENCE westerly and parallel with Andrews Avenue North, 7.3 feet,

THENCE southerly parallel with West 183rd Street, 29.6 feet,

THENCE westerly and parallel with Andrews Avenue North,150.00 feet,

THENCE northerly and parallel with West 183rd Street, 100.00 feet; to the southeasterly side of Andrews Avenue North, the point or place of BEGINNING.

PARCEL II, BLOCK 2327 LOT 31

ALL that certain plot, piece or parcel of land, situate, lying and being in the borough and county of Bronx, City and State of New York being known and designated as Lot No. 10 on a certain map entitled "Map of Subdivision of School Lot No. 1 District School Property in Morrisania" made by William Rumble Surveyor, dated November 1, 1886 and filed in the Office of the Register of the County of Westchester, June 23rd, 1868, and also Lots No. 11, 12, 13, 14, and 15 on a certain

map entitled “Map of Property in the 23rd Ward of New York City, belonging to the Estate of William Simpson, Deceased” made by George C, Hollerith, dated February 26, 1892, and filed in the Office of the Register of the City and County of New York, April 7, 1892 which are more particularly bounded and described as follows:

BEGINNING at a point on the easterly side of Courtlandt Avenue, distant 110 feet southerly from the corner formed by the intersection of the southerly side of the 148th Street with the said easterly side of Courtlandt Avenue which point is where the said easterly side of Courtland Street is intersected by the northerly line of Lot No. 10 on the map first described;

RUNNING THENCE easterly along the northerly line of said Lot No. 10, 89.13 feet to the easterly side of said Lot No. 10;

THENCE SOUTHERLY along the said easterly line of said Lot No.10, 16.83 feet to the northerly line of Lot No. 15 on the map secondly above described;

THENCE easterly along the northerly line of said Lot No. 15, 77.58 feet to the westerly line of 3rd Avenue;

THENCE southerly along the said westerly line of 3rd Avenue, 50 feet to the southerly line of Lot No. 13 on the map secondly above described;

THENCE westerly along the southerly line of Lot No. 13, 61.90 feet to the easterly line of Lot No. 11 on the map secondly above described; and

THENCE southerly along the easterly line of said Lot No. 11, 9.70 feet to the southerly line of said Lot No. 11; and

THENCE westerly along the said southerly line of said Lot No. 11, 63.50 feet to the said easterly line of Courtlandt Avenue, and

THENCE northerly along the said easterly line of Courtlandt Avenue, 74.97 feet to the said northerly side of Lot No. 10 on the map first above described, to the point or place of BEGINNING.

PARCEL III, BLOCK 2289 LOT 75

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

BEGINNING at a point on the northerly right of way of E. 144th Street (60' wide), distant 123.67 feet from the easterly corner formed by the intersection of said northerly right of way of E. 144th Street and the easterly right of way of Willis Avenue (100' wide);

THENCE RUNNING with and binding on the west line of said Lot 75, N05°12'25"E along the westerly face of the building and through the brick privacy wall located on said Lot 75, a distance of 99.90 feet to the northwest corner of said Lot 75;

THENCE RUNNING with and binding on the northerly lines of said Lot 75 the following three (3) courses:

1. S84°47'39"E a distance of 25.03 feet;

2. S05°09'56"W a distance of 5.00 feet;

3. S84°47'39"E a distance of 50.14 feet to the northeast corner of said Lot 75;

THENCE RUNNING with and binding on the east line of said Lot 75, S05°15'26"W along the easterly face of a brick privacy wall and the easterly face of the building located on said Lot 75, .a distance of 94.90 feet to the southeast corner of said Lot 75 and said northerly right of way of E. 144th Street;

THENCE RUNNING with and binding on the south line of said Lot 75, N 84°47'39"W along said northerly right of way of E. 144th Street a distance of 75.08 feet to the Point Of BEGINNING.

EXHIBIT B

DESCRIPTION OF THE FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation or use at the buildings located at 2336 Andrews Avenue North, Bronx, New York, 500 Courtlandt Avenue, Bronx, New York, and 413 East 144th Street, Bronx, New York, financed with the proceeds of the Build NYC Resource Corporation Revenue Bonds (Seton Education Partners - Brilla Project), Series 2021, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefore, and all parts, additions and accessories incorporated therein or affixed thereto and shall include all property substituted for or replacing items and exclude all items so substituted for or replaced, and further exclude all items removed as provided in the Indenture and the Loan Agreement.

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).

BUILD NYC RESOURCE CORPORATION
[TAX-EXEMPT][TAXABLE] REVENUE BOND, SERIES 2021[A][B]
(SETON EDUCATION PARTNERS – BRILLA PROJECT PROJECT)

Bond Date: November 23, 2021

Maturity Date: [November 1, 2031][2041][2051] [November 1, 2025]

Registered Owner: Cede & Co.

Principal Amount: $[2,535,000][5,805,000][6,255,000][650,000]

Interest Rate: [4.00]%[3.625]%

Bond Number: R-[A-1][A-2][A-3][B-1]

CUSIP: [12008ESF4][12008ESG2] [12008ESH0] [12008ESJ6]

Promise to Pay. Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York (herein called the "**Issuer**"), for value received, hereby promises to pay as hereinafter provided, solely from the loan payments, revenues and receipts as provided in the Indenture of Trust hereinafter referred to, to the Registered Holder identified above or registered assigns, upon presentation and surrender hereof, on the Maturity Date set forth above, the Principal Amount set forth above, and in like manner to pay interest at the Interest Rate set forth above on the unpaid principal balance hereof from the Bond Date set

forth above until the Issuer's obligation with respect to the payment of such Principal Amount shall be discharged. Payment of interest shall be made on May 1 and November 1 in each year, commencing May 1, 2022 (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 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.

Method of Currency. The principal, Purchase Price 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 The Bank of New York Mellon in New York, New York, as trustee and paying agent (the "**Paying Agent**"), or at the corporate trust office of any successor Paying Agent.

The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the registered owner of such Bond as shown on the bond registration books of the Trustee as Bond Registrar at the close of business on the Regular Record Date for such interest, (1) by check or draft mailed to such registered owner at his address as it appears on the bond registration books or at such other address as is furnished to the Trustee in writing by such owner, or (2) if such Bonds are held by a Securities Depository or, at the written request addressed to the Trustee by any registered owner of Bonds in the aggregate principal amount of at least $1,000,000 that all such payments be made by wire transfer, by electronic transfer in immediately available funds to the bank for credit to the ABA routing number and account number filed with the Trustee no later than five (5) Business Days before an Interest Payment Date, but no later than a Regular Record Date for any interest payment.

Interest on any Bond that is due and payable but not paid on the date due ("**Defaulted Interest**") shall cease to be payable to the owner of such Bond on the relevant Regular

Record Date and shall be payable to the owner in whose name such Bond is registered at the close of business on a special record date (the "**Special Record Date**") for the payment of such Defaulted Interest, which Special Record Date shall be fixed as provided in the Indenture.

Authorization and Purpose. This bond is one of an authorized issue of bonds designated as "Build NYC Resource Corporation Revenue Bonds (Seton Education Partners – Brilla Project Project), Series 2021[A][B]" (the "[Series 2021A][Series 2021B] Bonds") issued in the aggregate principal amount of $[14,595,000][650,000]. The Series 2021[A][B] 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 April 27, 2021, authorizing the issuance of the Series 2021 Bonds and under and pursuant to an Indenture of Trust, dated as of November 1, 2021 (as the same may be amended or supplemented, the "**Indenture**"), made and entered into by and between the Issuer and The Bank of New York Mellon, as trustee (said bank and any successor thereto under the Indenture being referred to herein as the "**Trustee**"), for the purpose of financing a portion of the cost of the acquisition by the Issuer of a facility (the "Facility") consisting of the (a) refinancing of two taxable loans in the outstanding amounts of $600,000 and $11,170,000, respectively, both of which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the following schools: Brilla Pax Elementary School and Brilla Caritas Elementary School (the "Leased Facility 1"); (b) refinancing a taxable loan in the outstanding amount of $2,170,000, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as a site for the following school: Brilla College Prep Middle School (the "Leased Facility 2"); (c) refinancing a taxable loan in the outstanding amount of $2,710,000, which loan financed leasehold improvements in 20,700 square feet of space in a building located at 413 E 144th Street, Bronx, NY, which currently serves as a site for Brilla College Prep Elementary School (the "Leased Facility 3" and together with the Leased Facility 1 and the Leased Facility 2, the "Leased Facilities"); (d) funding a debt service reserve fund; and (e) paying for certain costs and expenses associated with the issuance of the Bonds (the "**Project**") on behalf of Seton Education Partners, a not-for-profit corporation organized and existing under the laws of the State of Wyoming (hereinafter together with any assignee of the Loan Agreement hereafter referred to, called the "**Institution**"). In order to finance a portion of the costs of the Project, the Issuer has made a loan to the Institution in the original principal amount of the Bonds from the proceeds of the Bonds pursuant to a certain Loan Agreement, dated as of November 1, 2021, between the Issuer and the Institution (as the same may be amended or supplemented, the "**Loan Agreement**"), and the Institution has executed a certain Series 2021A Promissory Note and a certain Series 2021B Promissory Note, each from the Institution to the Issuer and each endorsed by the Issuer to the Trustee, each dated the date of original issuance of the Bonds (as the same may be amended or supplemented, collectively, the "**Promissory Note**") to evidence the Institution's obligation under the Loan Agreement to repay such loan. Each of the Loan Agreement and the Promissory Note requires the payment by the Institution of loan payments sufficient to provide for the payment of the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest on the Bonds as the same become due. Copies of the Indenture, the Loan Agreement, the Promissory Note, and the Mortgage hereinafter referred to are on file at the designated corporate trust office of the Trustee in New York, New York, and reference is made to such documents for the provisions

relating, among other things, to the terms and security of the Bonds, the charging and collection of loan payments, the custody and application of the proceeds of the Bonds, the rights and remedies of the holders of the Bonds, and the rights, duties and obligations of the Issuer, the Institution and the Trustee.

Pledge and Security. Pursuant to the Indenture, the Issuer has assigned to the Trustee all of its right, title and interest in and to the Promissory Note and substantially all of its right, title and interest in and to the Loan Agreement, including all rights to receive loan payments sufficient to pay the principal or Redemption Price, if any, of, Sinking Fund Installments for, and interest and all other amounts due on the Bonds as the same become due, to be made by the Institution pursuant to the Loan Agreement and the Promissory Note. The Bonds are also secured by mortgage liens on and security interests in the Institution's fee title interest in the Facilities pursuant to a the Leasehold Mortgage and Security Agreement (Andrews Avenue North Facility), the Leasehold Mortgage and Security Agreement (Courtlandt Avenue Facility) and the Mortgage and Security Agreement (East 144th Street Facility) relating to the respective Facility, each dated as of even date herewith, and each from the Institution to the Issuer (as each of the same may hereafter be amended or supplemented, collectively the "**Mortgage**"). Pursuant to the Assignment of Leasehold Mortgage and Security Agreement (Andrews Avenue North Facility), the Assignment of Leasehold Mortgage and Security Agreement (Courtlandt Avenue Facility) and the Assignment of Leasehold Mortgage and Security Agreement (East 144th Street Facility), relating to the Facilities, each dated as of even date herewith, and each from the Issuer to The Bank of New York Mellon, as master trustee (the "**Master Trustee**"), the Issuer has assigned to the Master Trustee all of the Issuer's right, title and interest in and to the Mortgage.

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 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. (i) The Series 2021A Bonds shall be subject to redemption, on or after November 1, 2031, in whole or in part at any time (but if in part in integral multiples of $5,000 and in the minimum principal amount of $100,000) at the option of the Issuer (which option shall be exercised only upon the giving of notice by the Institution of its intention to prepay loan payments due under the Loan Agreement pursuant to Section 4.3(c) thereof), at the Redemption Price of one hundred percent (100%) of the principal amount of the Series 2021A Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

(ii) The Series 2021B Bonds are not subject to optional redemption.

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

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

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

(iii) As a result of changes in the Constitution of the United States of America or of the State of New York or of legislative or executive action of said State or any political subdivision thereof or of the United States of America or by final decree or judgment of any court after the contest thereof by the Institution, the Loan Agreement becomes void or unenforceable or impossible of performance in accordance with the intent

and purpose of the parties as expressed therein or unreasonable burdens or excessive liabilities are imposed upon the Institution by reason of the operation of the Facility.

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

(C) Mandatory Sinking Fund Installment Redemption.

(i) The Series 2021A Bonds maturing on November 1, 2031 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 (November 1)	Sinking Fund Installment
2026	$385,000
2027	$395,000
2028	$415,000
2029	$430,000
2030	$445,000
2031 (stated date)	$465,000

(ii) The Series 2021A Bonds maturing on November 1, 2041 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 (November 1)	Sinking Fund Installment
2032	$485,000
2033	$505,000
2034	$525,000
2035	$545,000
2036	$565,000
2037	$585,000
2038	$610,000
2039	$630,000
2040	$665,000
2041 (stated date)	$690,000

(iii) The Series 2021A Bonds maturing on November 1, 2051 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 (November 1)	Sinking Fund Installment
2042	$715,000
2043	$745,000
2044	$605,000
2045	$630,000
2046	$655,000
2047	$535,000
2048	$560,000
2049	$580,000
2050	$605,000
2051 (final date)	$625,000

(iv) Mandatory Sinking Fund Installment Redemption. The Series 2021B Bonds maturing on November 1, 2025 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 (November 1)	Sinking Fund Installment
2024	$285,000
2025 (final maturity)	$365,000

(D) Mandatory Redemption from Excess Proceeds and Certain Other Amounts. The Bonds shall be redeemed at any time in whole or in part by lot prior to maturity in the event and to the extent:

(i) excess Bond proceeds shall remain after the completion of the Project,

(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,

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) [Series 2021A Bonds] Mandatory Taxability Redemption. Upon the occurrence of a Determination of Taxability, the Series 2021A 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 three percent (103%) of the principal amount thereof, together with accrued interest from the occurrence of the Event of Taxability to the date of redemption. The Series 2021A Bonds shall be redeemed in whole unless redemption of a portion of the Series 2021A Bonds Outstanding would have the result that interest payable on the Series 2021A Bonds remaining Outstanding after such redemption would not be includable in the gross income of any holder of Series 2021A Bond. In such event, the Series 2021A Bonds shall be redeemed in such amount as is deemed necessary in the opinion of Nationally Recognized Bond Counsel to accomplish that result.

(G) Purchase in Lieu of Optional Redemption. In lieu of calling Bonds for optional redemption, the Bonds shall be subject to mandatory tender for purchase at the direction of the Issuer, upon the direction of the Institution, in whole or in part (and, if in part, in such manner as determined by the Institution) on any date on or after November 1, 2031, at a purchase price equal to the applicable Redemption Price for any optional redemption of such Bonds as provided above, plus accrued interest to the purchase date. Purchases of tendered Bonds may be made without regard to any provision of the Indenture relating to the selection of Bonds in a partial

optional redemption. The Bonds purchased pursuant to any mandatory tender(s) are not required to be cancelled, and if not so cancelled (subject to the Loan Agreement), shall, prior to any resale by or on behalf of the Institution, not be deemed Outstanding in connection with any subsequent partial optional redemption solely for purposes of those provisions of the Indenture relating to the selection of Bonds in a partial redemption.

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

Redemption Procedures. If any of the Bonds are to be called for redemption, the Indenture requires a copy of the redemption notice to be mailed at least thirty (30) days prior to such redemption date to the registered owner of each Bond to be redeemed at the address shown on the registration books. All Bonds so called for redemption will cease to bear interest after the date fixed for redemption if funds for their redemption are on deposit at the place of payment at that time. If notice of redemption shall have been given as aforesaid, the Bonds called for redemption shall become due and payable on the redemption date, provided, however, that with respect to any optional redemption of the Bonds as provided in this bond, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, redemption premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such notice of optional redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received. If a notice of optional redemption shall be unconditional, or if the conditions of a conditional notice of optional redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

Amendment of Indenture. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the holders of the Bonds at any time by the Issuer with the consent of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding thereunder. Any such consent shall be conclusive and binding upon each such holder and upon all future holders of each Bond and of any such Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon.

Denominations. The Bonds are issuable in the form of fully registered bonds in the denomination of (i) in the case of the Initial Bonds, $100,000 or any integral multiple of $5,000 in excess thereof, and (ii) in the case of any Additional Bonds, such denominations as shall be set

forth in the Supplemental Indenture executed and delivered in connection with such Additional Bond**.**

Exchange of Bonds. The holder of this bond may surrender the same, at the designated corporate trust office of the Trustee, in exchange for an equal aggregate principal amount of Bonds of any of the Authorized Denominations of the same maturity and maturities and interest rate as this bond or the Bonds so surrendered, subject to the conditions and upon payment of the charges provided in the Indenture. However, the Trustee will not be required to (i) transfer or exchange any Bonds during the period between a Record Date and the following Interest Payment Date or during the period of fifteen (15) days next preceding any day for the selection of Bonds to be redeemed, or (ii) transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

Transfer of Bonds. This bond is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the designated corporate trust office of the Trustee by the registered owner hereof in person, or by his duly authorized attorney-in-fact, upon surrender of this bond (together with a written instrument of transfer in the form appearing on this bond duly executed by the registered owner or his duly authorized attorney-in-fact with a guaranty of the signature thereon by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15), and thereupon a new fully registered Bond in the same aggregate principal amount and maturity and interest rate shall be issued to the transferee in exchange therefor as provided in the Indenture and upon payment of the charges therein prescribed. The Issuer, the Bond Registrar, the Trustee and any Paying Agent may deem and treat the Person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof, the Sinking Fund Installments therefor, and interest due hereon and for all other purposes whatsoever, and all payments made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Issuer, the Institution, the Bond Registrar, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Issuer or the Trustee may make a charge sufficient to reimburse it for any expenses and any tax, fee or other governmental charge required to be paid in connection therewith; any such expenses shall be paid by the Institution but any such tax, fee or other governmental charge shall be paid by the Holder requesting such transfer or exchange.

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 preeding clause (i).

Book Entry System. The Bonds are being issued by means of a book entry system with no physical distribution of bond certificates to be made except as provided in the Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities Depository and immobilized in its custody or in the custody of its agent. The book entry system will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in Authorized Denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Issuer and the Trustee will recognize the Securities Depository nominee, while the registered owner of this bond, as the owner of this bond for all purposes, including (i) payments of principal of, Sinking Fund Installments for, if any, redemption premium, if any, and interest on, this bond, (ii) notices, and (iii) voting. Transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, Sinking Fund Installments, interest and any redemption premium payments to Beneficial Owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such Beneficial Owners. The Issuer and the Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this bond, notwithstanding the provision hereinabove contained, payments of principal of, Sinking Fund Installments, if any, redemption premium, if any, and interest on this bond shall be made in accordance with existing arrangements among the Issuer, the Trustee and the Securities Depository.

Acceleration of Bonds. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds and Additional Bonds issued under the Indenture and then Outstanding may be declared and may become due and payable before the stated maturities thereof, together with accrued interest thereon.

Limitation on Bondholder Enforcement Rights. The holder of this bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions and covenants thereof or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Special Obligation of the Issuer. This bond and the issue of which it forms a part are special limited revenue obligations of the Issuer, payable by the Issuer solely out of the loan payments, revenues or other receipts, funds or moneys of the Issuer pledged under the Indenture and from any amounts otherwise available under the Indenture for the payment of the Bonds.

Estoppel Clause. It is hereby certified, recited and declared that all conditions, acts and things required by law and the Indenture to exist, to have happened and to have been performed precedent to and in the issuance of this bond, exist, have happened and have been performed, and

that the issuance of this bond and the issue of which it forms a part are within every debt and other limit prescribed by the laws of the State of New York.

No Personal Liability. Neither the members, directors, officers or agents of the Issuer nor any person executing this bond shall be liable personally or be subject to any personal liability or accountability by reason of the issuance hereof.

Authentication by Trustee. This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by the Trustee.

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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 2021[A][B] Bonds of the issue described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Authorized Signatory

Date of Authentication: November [23], 2021

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns and transfers unto

(Please print or typewrite name, address and taxpayer identification number of transferee)

the within bond and does hereby irrevocably constitute and appoint _____ Attorney to transfer such bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

_____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED
MEDALLION GUARANTEED

_____

Authorized Signature
(Signature Guarantee Program Name)

[Signature Guarantee must be by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15]

[End of Form of Series 2021 Bonds]

EXHIBIT D

Form of Requisition from the Project Fund

REQUISITION NO.

TO: THE BANK OF NEW YORK MELLON, as Trustee

FROM: Seton Education Partners

Ladies and Gentlemen:

You are requested to draw from the Project Fund, established by Section 5.01 of the Indenture of Trust, dated as of November 1, 2021 (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 Seton Education Partners (the "**Institution**");

(ii) the number of this Requisition is ____;

(iii) the items of cost set forth on Schedule A attached hereto are correct and proper under Section 5.02 of the Indenture and under Section 3.2 of the Loan Agreement and each such item has been properly paid or incurred as an item of Project Cost;

(iv) none of the items for which this Requisition is made has formed the basis for any disbursement heretofore made from the Project Fund;

(v) the payees and amounts stated in Schedule A attached hereto are true and correct and each item of cost so stated is due and owing;

(vi) each such item stated in Schedule A attached hereto is a proper charge against the Project Fund;

(vii) each such item in Schedule A attached hereto represents the value of work actually furnished, or labor or services actually rendered and no item relates to materials, that are not incorporated into the improvement or deposits toward same;

(viii) each item of cost set forth in Schedule A attached hereto is consistent in all material respects with the Tax Regulatory Agreement;

(ix) if the payment herein requested is a reimbursement to the Institution for costs or expenses of the Institution incurred by reason of work performed or supervised by officers or employees of the Institution or any Affiliate, such officers or employees were specifically employed for such purpose and the amount to be paid does not exceed the actual cost thereof to the Institution and such costs or expenses will be treated by the Institution on its books as a capital expenditure in conformity with generally accepted accounting principles applied on a consistent basis;

(x) no portion of the proceeds of the Bond will be applied to reimburse the Institution for Project Costs paid more than sixty (60) days prior to _____, 20__, the date the [*Issuer*] [*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 Security Document nor any condition, event or act which, with notice or lapse of time or both, would constitute such an Event of Default;

(xii) I have no knowledge of any vendor's lien, mechanic's lien or security interest which should be satisfied or discharged before the payment herein requested is made or which will not be discharged by such payment or, to the extent that any such costs shall be the subject of a bona fide dispute, for which such costs have not been appropriately bonded or for which a surety or security has not been posted which is at least equal to the amount of such costs;

(xiii) each item which payment under this requisition is to be made when added to all other payments previously made from the Project Fund, will not result in less than 95% of the proceeds of the 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 Security Documents are correct on and as of the date of such disbursement as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date.

Attached to this Requisition is a schedule of or a copy of bills, invoices or other documents evidencing and supporting this Requisition.

Dated: _____

SETON EDUCATION PARTNERS

By: _____
Authorized Representative

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.

SETON EDUCATION PARTNERS

By: _____
Authorized Representative

Date: _____

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APPENDIX F

FORM OF LOAN AGREEMENT

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LOAN AGREEMENT

Dated as of November 1, 2021

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 1 Liberty Plaza, New York, New York 10006,
as "**Issuer**"

and

SETON EDUCATION PARTNERS,
a not-for-profit corporation organized and existing under the laws of the State of Wyoming, having its principal office in New York City at 441 E. 148th Street, Bronx, New York 10454, as "**Institution**"

$14,595,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds, Series 2021A
(Seton Education Partners – Brilla Project)

$650,000
Build NYC Resource Corporation
Taxable Revenue Bonds, Series 2021B
(Seton Education Partners – Brilla Project)

LOAN AGREEMENT

This **LOAN AGREEMENT**, dated as of November 1, 2021 (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 1 Liberty Plaza, New York, New York 10006 (the "**Issuer**"), party of the first part, and **SETON EDUCATION PARTNERS**, a not-for-profit corporation organized and existing under the laws of the State of Wyoming, having its principal office in New York City at 441 E. 148th Street, Bronx, New York 10454 (the "**Institution**"), party of the second part (capitalized terms used herein shall have the respective meanings assigned to such terms throughout this Agreement).

WITNESSETH:

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

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

WHEREAS, the Institution has entered into negotiations with officials of the Issuer for the Issuer's assistance with a tax-exempt and taxable bond transaction, the proceeds of which, together with other funds of the Institution, will be used by the Institution for the acquisition of 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, the Institution has agreed to secure the payment obligations of the Institution under this Agreement and the Initial Bonds by (i) the issuance of the Institution's Obligation No. 1, dated November 23, 2021 (the "**Obligation No. 1**"), pursuant to the terms of the Master Trust Indenture, dated as of November 1, 2021 (the "**Master Trust Indenture**"), by and between the Institution and The Bank of New York Mellon, as master trustee (the "**Master Trustee**"), as amended and supplemented, including as amended and supplemented by (i) the Supplemental Indenture for Obligation No. 1, dated as of November 1, 2021 (the "**Supplement No. 1**"; and, together with the Master Trust Indenture, the "**Master Indenture**"), which Obligation No. 1, with this Agreement, will each be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Initial Bonds; and

WHEREAS, concurrently with the execution hereof, in order to further secure Obligation No. 1 and all Obligations issued pursuant to the Master Indenture, the Institution will grant mortgage liens on and security interests in its leasehold interests in the Mortgaged Property to the Issuer and the Master Trustee pursuant to the Mortgage, and the Issuer will assign its right, title and interest under the Mortgage to the Master Trustee pursuant to the Assignment of Mortgage; and

NOW, **THEREFORE**, in consideration of the premises and the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.1 Definitions

. The following capitalized terms shall have the respective meanings specified for purposes of this Agreement.

Additional Bonds shall mean one or more Series of additional bonds issued, executed, authenticated and delivered under the Indenture.

Additional Improvements shall have the meaning specified in Section 3.4(a).

Affiliate 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.

Agreement shall mean this Loan Agreement, dated as of the date set forth in the first paragraph hereof, between the Issuer and the Institution, and shall include any and all amendments hereof and supplements hereto hereafter made in conformity herewith and with the Indenture.

Andrews Avenue North Facility shall mean an approximately 70,000 square foot facility located at 2336 Andrews Avenue North, Bronx, New York, for use by the Organization in the providing of education services to students for the Brilla Pax Elementary School and the Brilla Caritas Elementary School.

Andrews Avenue North Lease Agreement shall mean that certain Lease between the Roman Catholic Church of St. Nicholas of Tolentine and the Institution, dated as of October 1, 2019, as the same may be amended from time to time.

Andrews Avenue North Sublease Agreement shall mean that certain Sublease between the Institution and the Organization, dated as of January 9, 2020, as the same may be amended from time to time.

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 Facilities as owned by the Institution and occupied, used and operated by the Organization substantially for the Approved Project Operations, including such other activities as may be substantially related to or substantially in support of such operations, all to be effected in accordance with this Agreement.

Approved Project Operations shall mean collectively, the Andrews Avenue North Facility, the Courtlandt Avenue Facility and the East 144th Street Facility for use in

providing education services to students but not for purposes prohibited by the Tax Regulatory Agreement.

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

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

Assignment of Lease shall mean collectively, (i) the Assignment of Lease (Andrews Avenue North Facility), (ii) the Assignment of Lease (Courtlandt Avenue Facility), and (iii) the Assignment of Lease (East 144th Street Facility) relating to the Facility, each dated as of even date herewith, and each from the Institution to the Master Trustee and acknowledged by the Organization.

Assignment of Mortgage shall mean collectively, the Assignment of Leasehold Mortgage and Security Agreement (Andrews Avenue North), the Assignment of Leasehold Mortgage and Security Agreement (Courtlandt Avenue) and the Assignment of Leasehold Mortgage and Security Agreement (East 144th Street) relating to the Facilities, each dated as of even date herewith, and each from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Authorized Denomination shall mean, (i) in the case of the Initial Bonds, $100,000 or any integral multiple of $5,000 in excess thereof, and (ii) in the case of any Additional Bonds, such denominations as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Authorized Principal Amount shall mean, (i) in the case of the Series 2021A Bonds, $14,595,000, (ii) in the case of the Series 2021B Bonds, $650,000, and (iii) in the case of any Additional Bonds, such authorized principal amount as shall be set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Authorized Representative shall mean, (i) in the case of the Issuer, the Chairperson, Vice Chairperson, Treasurer, Assistant Treasurer, Secretary, Assistant Secretary, Executive Director, Deputy Executive Director or General Counsel, or any other officer or employee of the Issuer who is authorized to perform specific acts or to discharge specific duties, and (ii) in the case of the Institution, a person named in Exhibit C — "Authorized Representative", or any other officer or employee of the Institution who is authorized to perform specific duties hereunder or under any other Project Document and of whom another Authorized Representative of the Institution has given written notice to the Issuer and the Trustee; provided, however, that in each case for which a certification or other statement of fact or condition is required to be submitted by an Authorized Representative to any Person pursuant to the terms of this Agreement or any other Project Document, such certificate or statement shall be executed only by an Authorized Representative in a position to know or to obtain knowledge of the facts or conditions that are the subject of such certificate or statement.

Beneficial Owner shall mean, whenever used with respect to an Initial Bond, the Person in whose name such Initial Bond is recorded as the Beneficial Owner of such Initial Bond

by the respective systems of DTC and each of the Participants of DTC. If at any time the Initial Bonds are not held in the Book-Entry System, Beneficial Owner shall mean "Holder" for purposes of the Security Documents.

Benefits shall have the meaning set forth in Section 5.1(a).

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

Bondholder, **Holder of Bonds**, **Holder** or **holder** shall mean any Person who shall be the registered owner of any Bond or Bonds.

Bond Purchase Agreement shall mean the Bond Purchase Agreement, dated November 10, 2021, among the Institution, the Organization, 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 April 27, 2021, authorizing the Project and the issuance of the Initial Bonds.

Bonds shall mean the Initial Bonds and any Additional Bonds.

Business Day shall mean any day that shall not be:

(i) a Saturday, Sunday or legal holiday;

(ii) a day on which banking institutions in the City are authorized by law or executive order to close; or

(iii) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is closed.

Business Incentive Rate shall mean the discount energy transportation and delivery rate provided through the Business Incentive Rate program co-administered by NYCEDC and Consolidated Edison Company of New York, Inc.

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

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

City shall mean The City of New York, New York.

Claims shall have the meaning set forth in Section 8.2(a).

Closing Date shall mean November 23, 2021, the date of the initial issuance and delivery of the Initial Bonds.

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

Code shall mean the Internal Revenue Code of 1986, as amended, including the regulations thereunder. All references to Sections of the Code or regulations thereunder shall be deemed to include any such Sections or regulations as they may hereafter be renumbered in any subsequent amendments to the Code or such regulations.

Completed Improvements Square Footage shall mean (i) with respect to the Andrews Avenue North Facility, approximately 70,000 square feet, (ii) with respect to the Courtlandt Avenue Facility, approximately 17,571 square feet, and (iii) with respect to the East 144th Street Facility, approximately 20,700 square feet, of the Improvements of the Project.

Comptroller has the meaning specified in Section 8.30(b).

Concessionaire has the meaning specified in Section 8.30(b).

Conduct Representation shall mean any representation by the Institution under Section 2.2(t), or by any other Person in any Required Disclosure Statement delivered to the Issuer.

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

Construction Workforce Disclosure Law shall have the meaning set forth in Section 8.16(g).

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

Control or **Controls**, including the related terms "controlled by" and "under common control with", shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

Costs of Issuance shall mean issuance costs with respect to the Initial Bonds described in Section 147(g) of the Code and any regulations thereunder, including but not limited to the following: Underwriter's fee; counsel fees (including bond counsel, counsel to the Underwriter, Trustee's counsel, Issuer's counsel, Institution's counsel, Organization's counsel, as well as any other specialized counsel fees incurred in connection with the borrowing); financial advisor fees of any financial advisor to the Issuer, the Institution or the Organization incurred in connection with the issuance of the Initial Bonds; engineering and feasibility study costs; guarantee fees (other than Qualified Guarantee Fees, as defined in the Tax Regulatory Agreement); Rating Agency fees; Trustee and Paying Agent fees; accountant fees and other expenses related to issuance of the Initial Bonds; printing costs (for the Initial Bonds and of the preliminary and final offering documents relating to the Initial Bonds); public approval and process costs; fees and expenses of the Issuer incurred in connection with the issuance of the Initial Bonds; Blue Sky fees and expenses; and similar costs.

Courtlandt Avenue Facility shall mean an approximately 17,571 square foot facility located at 500 Courtlandt Avenue, Bronx, New York, for use by the Organization in the providing of education services to students for the Brilla College Prep Middle School.

Courtlandt Avenue Lease Agreement shall mean that certain Lease between the Church of St. Pius, Borough of Bronx, N.Y. City and the Institution, dated as of August 1, 2016, as the same may be amended from time to time.

Courtlandt Avenue Sublease Agreement shall mean that certain Sublease between the Institution and the Organization, dated as of November 15, 2016, as amended and restated pursuant to that certain First Amended and Restated Sublease, dated July 1, 2018, as the same may be amended from time to time.

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

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

DCA has the meaning specified in Section 8.30(b).

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

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

(a) with respect to the Series 2021A Bonds, as of any particular date of computation, an amount (which amount may take the form of cash, Qualified Investments or any combination thereof) equal to the lesser of:

(i) ten percent (10%) of the Stated Principal Amount (as defined in the Tax Regulatory Agreement) of the Outstanding Series 2021A Bonds;

(ii) 100% of the greatest amount required in the then current or any future calendar year to pay the sum of the scheduled principal and interest payable on Outstanding Series 2021A Bonds; or

(iii) 125% of the average annual amount required in the then current or any future calendar year to pay the sum of scheduled principal and interest on Outstanding Series 2021A Bonds.

(b) with respect to the Series 2021B Bonds $65,000.

(c) with respect to any Series of Additional Bonds, such amount as shall be set forth in the Supplemental Indenture entered into in connection with the issuance of such Additional Bonds.

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, after the Closing Date, to the effect that the interest payable on the Series 2021A 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 Series 2021A 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 Series 2021A 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) of this definition shall be considered to exist unless (1) the Holder or former Holder of the Series 2021A 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. A Series 2021A Bondholder shall have the right to request the Trustee to obtain a written opinion of Nationally Recognized Bond Counsel pursuant to clause (ii) above, at the expense of the Institution, upon delivery by the Bondholder to the Institution of a letter from the Bondholder's accountant stating that, in his or her reasonable opinion, interest on the Series 2021A Bonds is includable in the gross income of such Bondholder for federal income tax purposes and stating the reasons for such determination. No Determination of Taxability described above will result from the inclusion of interest on any Series 2021A Bond in the computation of minimum or indirect taxes.

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

DTC shall mean The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns.

Due Date shall have the meaning set forth in Section 9.9(a).

East 144th Street Facility shall mean an approximately 20,700 square foot facility located at 413 East 144th Street, Bronx, New York, for use by the Organization in the providing of education services to students for the Brilla College Prep Elementary School.

East 144th Street Lease Agreement shall mean that certain Lease between the Church of St. Pius, Borough of Bronx, N.Y. City and the Institution, dated as of January 17, 2013, as the same may be amended from time to time.

East 144th Street Sublease Agreement shall mean collectively, that certain Sublease between the Institution and the Organization, dated as of January 17, 2013, as amended by that certain First Amended and Restated Sublease, dated as of July 1, 2018, as the same may be amended from time to time.

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

Entity shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

Environmental Audit shall mean for the (a) Andrews Avenue North Facility that certain Phase I Environmental Site Assessment Report dated July 25, 2019, (b) Courtlandt Avenue Facility that certain Phase I Environmental Site Assessment Report dated July 6, 2021, and (c) East 144th Street Facility that certain Phase I Environmental Site Assessment Report dated June 20, 2021, each prepared by the Environmental Auditor.

Environmental Auditor shall mean for the (a) Andrews Avenue North Facility, Environmental Business Consultants, Inc., and (b) for the Courtlandt Avenue Facility, Environmental Business Consultants, Inc. and (c) for the East 144th Street Facility, Environmental Business Consultants, Inc.

Estimated Project Cost shall mean $17,648,364.25.

Event of Default shall have the meaning specified in Section 9.1.

Event of Taxability shall mean the date specified in a Determination of Taxability as the date interest paid or payable on any Series 2021A Bond becomes includable for federal income tax purposes in the gross income of any Series 2021A Bondholder thereof as a consequence of any act, omission or event whatsoever, including any change of law, and regardless of whether the same was within or beyond the control of the Institution.

Existing Facility Property shall have the meaning set forth in Section 3.5(a).

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

Facility Personalty shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed in whole or in part with the proceeds of the Bonds for installation or use at the Facility Realty as part of the Project pursuant to Section 3.2 and described in Exhibit B — "Description of the Facility Personalty", together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4, include all property substituted for or replacing items of Facility Personalty and exclude all items of Facility Personalty so substituted for or replaced, and further exclude all items of Facility Personalty removed as provided in Section 3.5.

Facility Realty shall mean, collectively, the Land and the Improvements.

Fiscal Year shall mean a year of 365 or 366 days, as the case may be, commencing on July 1 and ending on June 30 of each 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 and the Trustee at least ninety (90) days prior to the commencement thereof.

Fitch shall mean Fitch, Inc., a Delaware corporation, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Fixed Date Deliverables shall have the meaning set forth in Section 9.9(a)(ii).

GAAP shall mean those generally accepted accounting principles and practices that are recognized as such by the American Institute of Certified Public Accountants or by the Financial Accounting Standards Board or through other appropriate boards or committees thereof, and that are consistently applied for all periods, after the Closing Date, so as to properly reflect the financial position of the Institution, except that any accounting principle or practice required to be changed by the Financial Accounting Standards Board (or other appropriate board or committee of the said Board) in order to continue as a generally accepted accounting principle or practice may be so changed.

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

Governing Body shall mean, when used with respect to any Entity, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Entity are exercised.

Government Obligations shall mean the following:

(i) direct and general obligations of, or obligations unconditionally guaranteed by, the United States of America;

(ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation of the United States of America for the timely payment thereof; or

(iii) securities or receipts evidencing ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clauses (i) or (ii) above.

Hazardous Materials shall include any petroleum, flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 5101, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local environmental law, ordinance, rule, or regulation.

Impositions shall have the meaning set forth in Section 8.17(a).

Improvements shall mean:

(i) all buildings, structures, foundations, related facilities, fixtures and other improvements of every nature whatsoever existing on the Closing Date and hereafter erected or situated on the Land;

(ii) any other buildings, structures, foundations, related facilities, fixtures and other improvements constructed or erected on the Land (including any improvements or demolitions made as part of the Project Work pursuant to Section 3.2); and

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

Indemnification Commencement Date shall mean April 27, 2021, the date on which the Issuer first adopted a resolution with respect to the Project.

Indemnified Parties shall have the meaning set forth in Section 8.2(a).

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

Independent Accountant shall mean an independent certified public accountant 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).

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

Initial Annual Administrative Fee shall mean $1,250.00.

Initial Bonds shall mean collectively, the Series 2021A Bonds and the Series 2021B Bonds authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Institution shall mean Seton Education Partners, a not-for-profit corporation organized and existing under the laws of the State of Wyoming, and its successors and assigns; provided, however, that nothing contained in this definition shall be deemed to limit or modify the obligations of the Institution under Section 8.9 or 8.20.

Institution Documents shall mean collectively, the Bond Purchase Agreement, this Agreement, each Promissory Note, each Mortgage, the Master Trust Indenture and Security Agreement, the Supplemental Master Trust Indenture No. 1, the Master Covenant Agreement, the Continuing Disclosure Agreement, each Prime Lease, each Sublease Agreement, each Assignment of Lease, the Tax Regulatory 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(d).

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

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

Interest Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

Interest Payment Date shall mean, with respect to the Initial Bonds, November 1 and May 1 of each year, commencing May 1, 2022, and with respect to any Series of Additional Bonds, the dates set forth therefor in the Supplemental Indenture pursuant to which such Series of Additional Bonds are issued.

IRS Determination Letter shall mean that certain ruling letter dated January 16, 2009 issued by the Internal Revenue Service to the Institution confirming that the Institution is a Tax-Exempt Organization.

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

ISO Form CG-0001 shall have the meaning set forth in Section 8.1(a).

Issuer shall mean Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and its successors and assigns.

Issuer's Reserved Rights shall mean, collectively,

(i) the right of the Issuer in its own behalf to receive all Opinions of Counsel, reports, financial statements, certificates, insurance policies, binders or certificates, or other notices or communications required to be delivered to the Issuer under this Agreement;

(ii) the right of the Issuer to grant or withhold any consents or approvals required of the Issuer under this Agreement;

(iii) the right of the Issuer to enforce in its own behalf the obligation of the Institution under this Agreement to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Institution under this Agreement with respect to ensuring that the Facility shall always constitute the Approved Facility;

(v) the right of the Issuer to amend with the Institution the provisions of Section 5.1 without the consent of the Trustee or any Bondholder;

(vi) the right of the Issuer in its own behalf (or on behalf of the appropriate taxing authorities) to enforce, receive amounts payable under or otherwise exercise its rights under Article III (except for Section 3.1), Sections 4.4, 4.5 and 4.6, Article V, Article VI, Article VIII (except for Section 8.26), Article IX, Article X, Sections 11.1, 11.3 and 11.5, and Article XII (except for Section 12.2); and

(vii) the right of the Issuer in its own behalf to declare a default with respect to any of the Issuer's Reserved Rights and exercise the remedies set forth in Section 9.2(b).

Land shall mean collectively, that certain lot, piece or parcel of land in the Borough of Bronx, Tax Block 3218 and Lot p/o 35, generally known by the street address 2336 Andrews Avenue North, Bronx, New York, that certain lot, piece or parcel of land in the Borough of Bronx, Tax Block 2327 and Lot 31, generally known by the street address 500 Courtlandt Avenue, Bronx, New York, that certain lot, piece or parcel of land in the Borough of Bronx, Tax Block 2289 and Lot 75, generally known by the street address 413 East 144th Street, Bronx, New York, all as more particularly described in Exhibit A — "Description of the Land", together with all easements, rights and interests now or hereafter appurtenant or beneficial thereto; but excluding, however, any real property or interest therein released pursuant to Section 8.10(c).

Land Square Footage shall mean collectively, (i) with respect to the Andrews Avenue North Facility approximately 70,000 square feet, (ii) with respect to the Courtlandt Avenue Facility approximately 17,571 square feet, and (iii) with respect to the East 144th Street Facility approximately 28,478 square feet.

Legal Requirements shall mean the Constitutions of the United States and the State of New York and all laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, certificates of occupancy, directions and requirements (including zoning, land use, planning, environmental protection, air, water and land pollution, toxic wastes, hazardous wastes, solid wastes, wetlands, health, safety, equal opportunity, minimum wage, living wage, prevailing wage, sick leave, healthcare, benefits and employment practices) of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, including those of the City, foreseen or unforeseen, ordinary or extraordinary, that are applicable now or may be applicable at any time hereafter to (i) the Institution, (ii) the Facility or any part thereof, or (iii) any use or condition of the Facility or any part thereof.

Letter of Representation and Indemnity Agreement shall mean the Letter of Representation and Indemnity Agreement, dated the Closing Date, from the Institution to the Issuer, the Trustee and the Underwriter of the Initial Bonds**.**

Liability shall have the meaning set forth in Section 8.2(a).

Liens shall have the meaning specified in Section 8.11(a).

Loan shall mean the loan made by the Issuer to the Institution pursuant to this Agreement as described in Section 4.1.

Loan Payment Date shall mean November 1 and May 1 of each year, commencing May 1, 2022.

Loss Event shall have the meaning specified in Section 6.1.

LW has the meaning specified in Section 8.30(b).

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

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

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

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

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

LW Violation Final Determination has the meaning specified in Section 8.30(k)(i)(1), Section 8.30(k)(i)(2)(A) or Section 8.30(k)(i)(2)(B), as applicable.

LW Violation Initial Determination has the meaning specified in Section 8.30(k)(i)(2).

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

LW Violation Threshold has the meaning specified in Section 8.30(b).

Majority Holders shall mean the Beneficial Owners of at least a majority in aggregate principal amount of the Bonds Outstanding, or, if the Bonds shall cease to be in book-entry form, the Holders of at least a majority in aggregate principal amount of the Bonds Outstanding.

Master Covenant Agreement, shall mean the Master Covenant Agreement, dated as of November 1, 2021, between the Organization, the Institution and the Master Trustee, as may be amended or supplemented from time to time.

Master Trustee shall mean The Bank of New York Mellon, its successors and/or assigns.

Master Trust Indenture and Security Agreement shall mean the Master Trust Indenture and Security Agreement, dated as of November 1, 2021, between the Institution and the Master Trustee, as from time to time amended or supplemented by Supplemental Indentures.

Maturity Date shall mean collectively, (i) with respect to the Series 2021A Bonds, November 1, 2051, and (ii) with respect to the Series 2021B Bonds, November 1, 2025.

Merge shall have the meaning specified in Section 8.20(a)(v).

Moody's shall mean Moody's Investors Service Inc., a Delaware corporation, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Trustee, by notice to the other Notice Parties.

Mortgage shall mean, collectively, the Leasehold Mortgage and Security Agreement (Andrews Avenue North Facility), the Leasehold Mortgage and Security Agreement (Courtlandt Avenue Facility) and the Mortgage and Security Agreement (East 144th Street Facility) relating to the respective Facility, each dated as of even date herewith, and each from the Institution to the Issuer and the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Mortgaged Property shall have the meaning specified in the Mortgage.

Nationally Recognized Bond Counsel shall mean Nixon Peabody LLP or other counsel acceptable to the Issuer and the Trustee and experienced in matters relating to tax exemption of interest on bonds issued by states and their political subdivisions.

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

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

Notification of Failure to Deliver shall have the meaning specified in Section 9.9(b).

NYCDOF shall mean the New York City Department of Finance.

NYCEDC shall mean New York City Economic Development Corporation, a New York not-for-profit corporation, and any successor thereof.

NYCIDA shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

Opinion of Counsel shall mean a written opinion of counsel for the Institution or any other Person (which counsel shall be reasonably acceptable to the Issuer and the Trustee) with respect to such matters as required under any Project Document or as the Issuer or the Trustee may otherwise reasonably require, and which shall be in form and substance reasonably acceptable to the Issuer and the Trustee.

Organization shall mean Brilla College Preparatory Charter Schools, a New York not-for-profit education corporation, exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Organization Documents shall mean, collectively, the Bond Purchase Agreement, the Use Agreement, the Tax Regulatory Agreement, the Master Covenant Agreement, the Continuing Disclosure Agreement, the Sublease Agreement, and the Acknowledgement to each Assignment of Lease Agreement.

Organizational Documents shall mean, (i) in the case of an Entity constituting a limited liability company, the articles of organization or certificate of formation, and the operating agreement of such Entity, (ii) in the case of an Entity constituting a corporation, the charter, articles of incorporation or certificate of incorporation, and the bylaws of such Entity, and (iii) in the case of an Entity constituting a general or limited partnership, the partnership agreement of such Entity.

Outstanding, when used with reference to a Bond or Bonds, as of any particular date, shall mean all Bonds which have been issued, executed, authenticated and delivered under the Indenture, except:

(i) Bonds cancelled by the Trustee because of payment or redemption prior to maturity or surrendered to the Trustee under the Indenture for cancellation;

(ii) any Bond (or portion of a Bond) for the payment or redemption of which, in accordance with Article X of the Indenture, there has been separately set aside and held in the Redemption Account of the Bond Fund either:

(A) moneys, and/or

(B) Defeasance Obligations in such principal amounts, of such maturities, bearing such interest and otherwise having such terms and qualifications as shall be necessary to provide moneys,

in an amount sufficient to effect payment of the principal or applicable Redemption Price of such Bond, together with accrued interest on such Bond to the payment or redemption date, which payment or redemption date shall be specified in irrevocable instructions given to the Trustee to apply such moneys and/or Defeasance Obligations to such payment on the date so specified, provided, that, if such Bond or portion thereof is to be redeemed, notice of such redemption shall have been given as provided in the Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(iii) Bonds in exchange for or in lieu of which other Bonds shall have been authenticated and delivered under Article III of the Indenture,

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder or under any other Security Document, Bonds owned by the Institution or any Affiliate of the Institution shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Institution or any Affiliate of the Institution.

Owed Interest has the meaning specified in Section 8.30(b).

Owed Monies has the meaning specified in Section 8.30(b).

Participants shall mean those financial institutions for whom the Securities Depository effects book entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

Paying Agent shall mean any paying agent for the Bonds appointed pursuant to the Indenture (and may include the Trustee) and its successor or successors and any other corporation which may at any time be substituted in its place pursuant to the Indenture.

Per Diem Fees shall mean, collectively, the Per Diem Late Fee and the Per Diem Supplemental Late Fee.

Per Diem Late Fee shall mean that per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from such general applicability as may be established by the Issuer's Board of Directors) and that have not (x) paid to the Issuer the Annual Administrative Fee on the date required under Section 8.3, (y) delivered to the Issuer all

or any of the Fixed Date Deliverables on the respective dates required under Section 8.14 or 8.16, and/or (z) delivered to the Issuer all or any of the Requested Document Deliverables under Section 8.15 within five (5) Business Days of the Issuer having made the request therefor.

Per Diem Supplemental Late Fee shall mean that supplemental per diem late fee established from time to time by the Issuer's Board of Directors generally imposed upon Entities receiving or that have received financial assistance from the Issuer (subject to such exceptions from general applicability as may be established by the Issuer's Board of Directors).

Permitted Encumbrances shall mean:

(i) the Mortgage (as assigned by the Assignment of Mortgage), the Prime Lease, the Sublease Agreement and any other Project Document;

(ii) liens for real estate taxes, assessments, levies and other governmental charges, the payment of which is not yet due and payable;

(iii) any mechanic's, workmen's, repairmen's, materialmen's, contractors', warehousemen's, carriers', suppliers' or vendors' lien, security interest, encumbrance or charge or right in respect thereof, placed on or with respect to the Facility or any part thereof, if payment is not yet due and payable, or if such payment is being disputed pursuant to Section 8.11(b);

(iv) utility, access and other easements and rights of way, restrictions and exceptions that an Authorized Representative of the Institution certifies to the Issuer and the Trustee will not materially interfere with or impair the Institution's use and enjoyment of the Facility as provided in this Agreement;

(v) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property similar in character to the Facility as do not, as set forth in a certificate of an Authorized Representative of the Institution delivered to the Issuer and the Trustee, either singly or in the aggregate, render title to the Facility unmarketable or materially impair the property affected thereby for the purpose for which it was acquired or purport to impose liabilities or obligations on the Issuer;

(vi) those exceptions to title to the Mortgaged Property enumerated in the title insurance policy delivered pursuant to Section 3.7 insuring the Trustee's mortgagee interest in the Mortgaged Property, a copy of which is on file at the offices of the Issuer and at the designated corporate trust office of the Trustee;

(vii) liens arising by reason of good faith deposits with the Institution in connection with the tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the Institution to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(viii) any lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable the Institution to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workmen's compensation, unemployment insurance, old age pensions or other social security, or to share in the privileges or benefits required for companies participating in such arrangements;

(ix) any judgment lien against the Institution, so long as the finality of such judgment is being contested in good faith and execution thereon is stayed;

(x) any purchase money security interest in movable personal property, including equipment leases and financing;

(xi) liens on property due to rights of governmental entities or third party payors for recoupment of excess reimbursement paid;

(xii) a lien, restrictive declaration or performance mortgage with respect to the operation of the Facility arising by reason of a grant or other funding received by the Institution from the City, the State or any governmental agency or instrumentality; and

(xiii) any lien, security interest, encumbrances or charge which exists in favor of the Trustee or to which the Trustee shall consent in writing.

Person shall mean an individual or any Entity.

Policy(ies) shall have the meaning specified in Section 8.1(a).

Predecessor Institution shall have the meaning specified in Section 8.20(b)(ii).

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

Prime Lease shall mean, collectively (i) the Andrews Avenue North Lease, (ii) the Courtlandt Avenue Lease Agreement, and (iii) the East 144th Street Lease 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 and any Person as shall have the power to Control such Entity, and "principal" shall mean any of such Persons.

Project shall mean the (a) refinancing of two taxable loans in the outstanding amounts of $600,000 and $11,170,000, respectively, both of which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North,

Bronx, NY, which currently serves as a site for the following schools: Brilla Pax Elementary School and Brilla Caritas Elementary School; (b) refinancing a taxable loan in the outstanding amount of $2,170,000, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as a site for the following school: Brilla College Prep Middle School; (c) refinancing a taxable loan in the outstanding amount of $2,710,000, which loan financed leasehold improvements in 20,700 square feet of space in a building located at 413 E 144th Street, Bronx, NY, which currently serves as a site for Brilla College Prep Elementary School; (d) funding a debt service reserve fund; and (e) paying for certain costs and expenses associated with the issuance of the Bonds.

Project Application Information shall mean the eligibility application and questionnaire submitted to the Issuer by or on behalf of the Institution, for approval by the Issuer of the Project and the providing of financial assistance by the Issuer therefor, together with all other letters, documentation, reports and financial information submitted in connection therewith.

Project Cost Budget shall mean that certain budget for costs of the Project as set forth by the Institution in Exhibit E — "Project Cost Budget".

Project Costs shall mean:

(i) all costs of refinancing the taxable loans;

(ii) the interest on the Bonds during the period described in the Tax Regulatory Agreement;

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

(iv) the payment of the Costs of Issuance with respect to the Initial Bonds;

(v) 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, collectively, the Institution Documents, the Organization Documents and the Security Documents.

Project Fee shall mean $96,225, representing the $101,225 Issuer's financing fee, less the application fee of $5,000.

Project Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Promissory Note shall mean, (i) with respect to the Initial Bonds, that certain Series 2021A Promissory Note and that certain Series 2021B Promissory Note each in substantially the form of Exhibit H to this Agreement, each from the Institution to the Issuer and

each endorsed by the Issuer to the Trustee, (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 this 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 this Agreement and the Indenture.

Qualified Investments shall mean, to the extent permitted by applicable law, the following:

(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 this Indenture which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this 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; and

(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.

Qualified Workforce Program has the meaning specified in Section 8.30(b).

Rating Agency shall mean any of S&P, Moody's or Fitch and such other nationally recognized securities rating agency as shall have awarded a rating to the Initial Bonds.

Rebate Amount shall have the meaning assigned to that term in the Tax Regulatory Agreement.

Rebate Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Recapture Event shall have the meaning set forth in Section 5.1(a).

Recapture Period shall have the meaning set forth in Section 5.1(a).

Redemption Account shall mean the special trust account of the Bond Fund so designated, established pursuant to Section 5.01 of the Indenture.

Redemption Date shall mean the date fixed for redemption of Bonds subject to redemption in any notice of redemption given in accordance with the terms of the Indenture.

Redemption Price shall mean, with respect to any Bond or a portion thereof, the principal amount thereof to be redeemed in whole or in part, plus the applicable premium, if any, payable upon redemption thereof pursuant to such Bond or the Indenture.

Renewal Fund shall mean the special trust fund so designated, established pursuant to Section 5.01 of the Indenture.

Requested Document Deliverables shall have the meaning set forth in Section 9.9(a).

Required Disclosure Statement shall mean that certain Required Disclosure Statement in the form of Exhibit F — "Form of Required Disclosure Statement".

S&P shall mean Standard & Poor's Financial Services LLC, a Delaware limited liability company which is a subsidiary of McGraw Hill Financial, 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.

Sales Taxes shall mean City and State sales and/or compensating use taxes imposed pursuant to Sections 1105, 1107, 1109 and 1110 of the New York State Tax Law, as each of the same may be amended from time to time (including any successor provisions to such statutory sections).

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

Securities Depository shall mean any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in the Bonds, and to effect transfers of book-entry interests in the Bonds in book-entry form, and includes and means initially DTC.

Securities Exchange Act shall mean the Securities Exchange Act of 1934, as amended, together with any rules and regulations promulgated thereunder.

Security Documents shall mean, collectively, this Agreement, the Promissory Note, the Indenture, the Tax Regulatory Agreement, the Assignment of Lease, the Master Trust Indenture and Security Agreement, the Use Agreement, the Supplemental Master Trust Indenture No. 1, the Master Covenant Agreement, the Deposite Account Control Agreement, the Mortgage and the Assignment of Mortgage.

Series shall mean all of the Bonds designated as being of the same series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

Series 2021A Bonds shall mean the Issuer's $14,595,000 Tax-Exempt Revenue Bonds (Seton Education Partners - Brilla Project), Series 2021A, authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2021B Bonds shall mean the Issuer's $650,000 Taxable Revenue Bonds (Seton Education Partners - Brilla Project), Series 2021B, authorized, issued, executed, authenticated and delivered on the Closing Date under the Indenture.

Series 2021A Promissory Note shall mean the Promissory Note in substantially the form of Exhibit H to this Agreement.

Series 2021B Promissory Note shall mean the Promissory Note in substantially the form of Exhibit H to this Agreement.

Sign shall have the meaning specified in Section 8.5.

Sinking Fund Installment shall mean an amount so designated and which is established for mandatory redemption on a date certain of the Bonds of any Series of Bonds pursuant to the Indenture. The portion of any such Sinking Fund Installment of a Series of Bonds remaining after the deduction of any amounts credited pursuant to the Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments of such Series of Bonds due on a future date.

Sinking Fund Installment Account shall mean the special trust account of the Bond Fund so designated, which is established pursuant to Section 5.01 of the Indenture.

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

Site Affiliates has the meaning specified in Section 8.30(b).

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

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

Specified Contract has the meaning specified in Section 8.30(b).

State shall mean the State of New York.

Sublease Agreement shall mean, collectively (i) the Andrews Avenue North Sublease, (ii) the Courtlandt Avenue Sublease, and (iii) the East 144th Street Sublease.

Successor Institution shall have the meaning specified in Section 8.20(b)(ii).

Supplemental Indenture shall mean any indenture supplemental to or amendatory of the Indenture, executed and delivered by the Issuer and the Trustee in accordance with Article XI of the Indenture.

Supplemental Master Trust Indenture No. 1 shall mean the Supplemental Master Trust Indenture No. 1, dated as of November 1, 2021, between the Institution and the Master Trustee.

Taxable Bonds shall mean the Series 2021B Bonds and any other such Additional Bonds that shall be issued as taxable bonds under this Indenture.

Tax-Exempt Bonds shall mean the Series 2021A Bonds and any other such Additional Bonds that shall be issued as tax-exempt bonds under this Indenture.

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

Tax Regulatory Agreement shall mean the Tax Regulatory Agreement, dated the Closing Date, from the Issuer and the Institution to the Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Termination Date shall mean such date on which this Agreement may terminate pursuant to Article X.

Transfer shall have the meaning specified in Section 8.20(a)(iv).

Trustee shall mean The Bank of New York Mellon, New York, New York in its capacity as trustee under the Indenture, and its successors in such capacity and their assigns hereafter appointed in the manner provided in the Indenture.

Trust Estate shall mean all property, interests, revenues, funds, contracts, rights and other security granted to the Trustee under the Security Documents.

U/E shall have the meaning set forth in Section 8.1(a).

Underwriter shall mean RBC Capital Markets, LLC, its successors and/or assigns.

Use Agreement shall mean the Use Agreement, dated as of November 1, 2021, among the Issuer, the Trustee and the Organization, as the same may be amended from time to time.

Workers' Compensation shall have the meaning set forth in Section 8.1(a).

Section 1.2 Construction

. In this Agreement, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Agreement, refer to this Agreement, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the Closing Date.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Agreement, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

(e) Unless the context indicates otherwise, references to designated "Exhibits", "Articles", "Sections", "Subsections", "clauses" and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this Agreement.

(f) The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

(g) The word "will" shall be construed to have the same meaning and effect as the word "shall".

(h) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein or herein).

(i) Any reference to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties by Issuer

. The Issuer makes the following representations and warranties:

(a) The Issuer is a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State at the direction of the Mayor of the City, and is duly organized and validly existing under the laws of the State.

(b) Assuming the accuracy of representations made by the Institution, the Issuer is authorized and empowered to enter into the transactions contemplated by this Agreement and any other Project Documents to which the Issuer is a party and to carry out its obligations hereunder and thereunder and to issue and sell the Initial Bonds.

(c) By proper action of its board of directors, the Issuer has duly authorized the execution and delivery of this Agreement and each of the other Project Documents to which the Issuer is a party.

(d) In order to finance a portion of the cost of the Project, the Issuer proposes to issue the Initial Bonds in the Authorized Principal Amount. The Initial Bonds will mature, bear interest, be redeemable and have the other terms and provisions set forth in the Indenture.

(e) The Issuer is that not-for-profit local development corporation formed and existing on behalf of the City to act as a governmental issuer of tax-exempt and taxable bonds and notes for the purpose of providing financial assistance to not-for-profit institutions and manufacturing and industrial companies and other businesses.

(f) The Issuer has all requisite power, authority and legal right to execute and deliver the Project Documents to which it is a party and all other instruments and documents to be executed and delivered by the Issuer pursuant hereto and thereto and to perform its obligations under the Project Documents and all such other instruments and documents to which it is a party. All corporate action on the part of the Issuer which is required for the execution, delivery, performance and observance by the Issuer of the Project Documents and all such other instruments and documents to which it is a party has been duly authorized and effectively taken, and such execution, delivery, performance and observance by the Issuer do not contravene the Issuer's Organizational Documents or any applicable Legal Requirements or any contractual restriction binding on or affecting the Issuer.

(g) There is no action or proceeding before any court, governmental agency or arbitrator pending or, to the knowledge of the Issuer, threatened against the Issuer, which seeks (i) to restrain or enjoin the issuance or delivery of the Initial Bonds, the pledge and grant of the Trust Estate or the collection of any revenues pledged under the Indenture, (ii) to contest or affect in any way the authority for the issuance of the Initial Bonds or the validity of any of the Project Documents, or (iii) to contest in any way the existence or powers of the Issuer.

Section 2.2 Representations and Warranties by the Institution

. The Institution makes the following representations and warranties:

(a) The Institution is a not-for-profit corporation duly organized under the laws of the state set forth on the cover page of this Agreement, is validly existing and in good standing under the laws of its state of organization, 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 it or any of its property is bound or to which it or any of its property is subject, (y) be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or (z) result in the imposition of any lien, charge or encumbrance of any nature whatsoever other than Permitted Encumbrances.

(d) There is no action or proceeding pending or, to the best of the Institution's knowledge, after diligent inquiry, threatened, by or against the Institution by or before any court or administrative agency that would adversely affect the ability of the Institution to perform its obligations under this Agreement or any other Project Document to which it is or shall be a party.

(e) The financial assistance provided by the Issuer to the Institution as contemplated by this Agreement is necessary to induce the Institution to proceed with the Project.

(f) Undertaking the Project is anticipated to serve the corporate public purposes of the Issuer by preserving permanent, private sector jobs or increasing the overall number of permanent, private sector jobs in the State.

(g) The Facilities will be the Approved Facility.

(h) Except as permitted by Section 8.9, no Person other than the Institution and the Organization is or will be in use, occupancy or possession of any portion of the Facilites.

(i) The Institution has obtained all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by it as of the Closing Date in connection with the execution and delivery of this Agreement and each other Project Document to which it

shall be a party or in connection with the performance of its obligations hereunder and under each of the Project Documents.

(j) The Project was 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, 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.

(o) That portion of the Estimated Project Cost as shall not derive from the proceeds of the Initial Bonds shall be provided from equity on the part of the Institution. The amounts provided to the Institution from the proceeds of the Initial Bonds, together with other moneys available to the Institution, are sufficient to pay all costs in connection with the completion of the Project.

(p) All of the Land comprises two (2) complete tax lots and a portion of one single tax lot.

(q) Subject to Section 3.5 and Article VI, no property constituting part of the Facility shall be located at any site other than at the Facility Realty.

(r) The Completed Improvements Square Footage and the Land Square Footage are true and correct.

(s) The Fiscal Year is true and correct.

(t) None of the Institution, the Principals of the Institution, or any Person that is an Affiliate of the Institution:

(i) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the NYCIDA, the NYCEDC or

the City, unless such default or breach has been waived in writing by the Issuer, the NYCIDA, the NYCEDC or the City, as the case may be;

(ii) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five (5) years;

(iii) has been convicted of a felony in the past ten (10) years;

(iv) has received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; or

(v) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is currently being contested with due diligence in proceedings in court or other appropriate forum.

(u) The Project Application Information was true, correct and complete as of the date submitted to the Issuer, and no event has occurred or failed to occur since such date of submission which would cause any of the Project Application Information to include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make such statements not misleading.

(v) The Principals of the Institution, and their respective titles to the Institution, as set forth in Exhibit D — "Principals of Institution", are true, correct and complete.

(w) The representations, warranties, covenants and statements of expectation of the Institution set forth in the Tax Regulatory Agreement are by this reference incorporated in this Agreement as though fully set forth herein.

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

(y) No part of the proceeds of the Series 2021A Bonds will be used to finance inventory or will be used for working capital, or will be used for any other property not constituting part of the Facility.

(z) The Institution has fee or leasehold title in the Facility and has no present intention to sell, directly or indirectly, in whole or in part, its interest in the Facility.

(aa) The Institution is in compliance with the provisions of the Code and any applicable regulations thereunder necessary to maintain its exempt status under Section 501(a) of the Code.

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

(cc) The Institution is an organization described in Section 501(c)(3) of the Code and has received the IRS Determination Letter. The facts and circumstances which form the basis of the IRS Determination Letter continue substantially to exist as represented to the Internal Revenue Service. The IRS Determination Letter has not been modified, limited or revoked, and the Institution is in compliance with all terms, conditions and limitations, if any, contained in or forming the basis of the IRS Determination Letter.

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

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

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

(gg) The Institution is registered with the New York State Department of Education as providing an education equivalent to that provided by public schools in the State of New York.

ARTICLE III

THE PROJECT; MAINTENANCE; REMOVAL OF PROPERTY AND TITLE INSURANCE

Section 3.1 Reserved

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Section 3.2 Project Completion

. As of the Closing Date, the Project is complete. Project Costs shall be paid from the Project Fund or other funds provided by the Institution. In the event that moneys in the Project Fund are not sufficient to pay the costs necessary to complete the Project in full, the Institution shall pay that portion of such costs of the Project as may be in excess of the moneys therefor in the Project Fund and shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds (except from the proceeds of Additional Bonds which may be issued for that purpose), nor shall the Institution be entitled to any diminution of the loan payments payable or other payments to be made under this Agreement, under the Promissory Note or under any other Project Document. All expenses incurred by the Institution or the Issuer in connection with the performance of its obligations under this Section 3.2(c) shall be considered a Project Cost.

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, class and value to the original work and be made and installed in compliance with all applicable Legal Requirements.

(c) The Issuer shall be under no obligation to replace, service, test, adjust, erect, maintain or effect replacements, renewals or repairs of the Facility, to effect the replacement of any inadequate, obsolete, worn out or unsuitable parts of the Facility, or to furnish any utilities or services for the Facility, and the Institution hereby agrees to assume full responsibility therefor.

Section 3.4 Alterations and Improvements

.

(a) The Institution shall have the privilege of making such alterations of or additions to the Facility Realty ("**Additional Improvements**") or any part thereof from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that:

(i) as a result of the Additional Improvements, the fair market value of the Facility is not reduced below its fair market value immediately before the Additional Improvements are made and the usefulness, structural integrity or operating efficiency of the Facility is not materially impaired,

(ii) the Additional Improvements are effected with due diligence, in a good and workmanlike manner and in compliance with all applicable Legal Requirements,

(iii) the Additional Improvements are promptly and fully paid for by the Institution in accordance with the terms of the applicable contract(s) therefor, and

(iv) the Additional Improvements do not change the nature of the Facility so that it would not constitute the Approved Facility.

(b) All Additional Improvements shall constitute a part of the Facility, subject to this Agreement and the Mortgage.

(c) If at any time after the Closing Date, the Institution shall make any Additional Improvements, the Institution shall notify an Authorized Representative of the Issuer of such Additional Improvements by delivering written notice thereof within thirty (30) days after the completion of the Additional Improvements.

(d) In addition to the Facility Personalty, the Institution shall have the right to install or permit to be installed at the Facility Realty, machinery, equipment and other personal property at the Institution's own cost and expense (the "**Institution's Property**"). Once so installed, the Institution's Property shall not constitute part of the Facility Personalty and shall not be subject to this Agreement, nor constitute part of the Facility, or subject to the lien and security interest of the Mortgage provided that the same is not made fixtures appurtenant to the Facility Realty. The Institution shall have the right to create or permit to be created any mortgage, encumbrance, lien or charge on, or conditional sale or other title retention agreement with respect to, the Institution's Property, without the consent of or notice to the Issuer or the Trustee.

Section 3.5 Removal of Property of the Facility

.

(a) The Institution shall have the right from time to time to remove from that property constituting part of the Facility any fixture constituting part of the Facility Realty or any machinery, equipment or other item of personal property constituting part of the Facility Personalty (in any such case, the "**Existing Facility Property**") and thereby removing such

Existing Facility Property from that property constituting part of the Facility and the lien and security interest of the Mortgage, provided, however:

(i) such Existing Facility Property is substituted or replaced by property (y) having equal or greater fair market value, operating efficiency and utility and (z) free of all mortgages, liens, charges, encumbrances, claims and security interests other than Permitted Encumbrances, or

(ii) if such Existing Facility Property is not to be substituted or replaced by other property but is instead to be sold, scrapped, traded-in or otherwise disposed of in an arms'-length bona fide transaction for consideration, the Institution shall pay to the Trustee for deposit in the Redemption Account of the Bond Fund and thereby cause a redemption of Bonds to be effected in an amount (to the nearest integral multiple of Authorized Denomination) equal to the amounts derived from such sale or scrapping, the trade-in value credit received or the proceeds received from such other disposition; provided that no such redemption shall be required when such amount received in connection with any removal or series of removals does not exceed, in the aggregate, $25,000.

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 $25,000, shall be retained by the Institution.

(b) The removal from the Facility of any Existing Facility Property pursuant to the provisions of Section 3.5(a) shall not entitle the Institution to any abatement or reduction in the loan payments and other amounts payable by the Institution under this Agreement, under the Promissory Note or under any other Project Document.

Section 3.6 <u>Implementation of Additional Improvements and Removals</u>

.

(a) In the event of any Additional Improvements or substitution or replacement of property pursuant to Section 3.4 or 3.5, the Institution shall deliver or cause to be delivered to the Issuer and the Trustee any necessary documents in order to subject such Additional Improvements or substitute or replacement property to the lien and security interest of the Mortgage (in each case to the extent such Additional Improvements or substitute or replacement property relates to the Mortgaged Property) and to cause all of same to be made part of the Facility.

(b) The Institution agrees to pay all costs and expenses (including reasonable counsel fees) in subjecting, in accordance with Section 3.4, Additional Improvements to, or releasing, in accordance with Section 3.5, Existing Facility Property from the lien and security interest of the Mortgage.

(c) The Institution agrees, upon request of the Issuer or the Trustee, to furnish to the Issuer and the Trustee with a certificate of an Authorized Representative of the Institution indicating whether or not the Institution has taken any action to (i) effect Additional Improvements in compliance with Section 3.4 and (ii) effect the removal of Existing Facility Property in compliance with Section 3.5(a), pursuant to Sections 8.15(d) and (e), respectively.

Section 3.7 Title Insurance

. On or prior to the Closing Date, the Institution will obtain and deliver (w) to the Issuer a title report (in form and substance acceptable to the Issuer) reflecting all matters of record with respect to the Mortgaged Property, (x) to the Issuer a full set of municipal department search results showing only Permitted Encumbrances, (y) to the Trustee a mortgagee title insurance policy in an amount not less than the Authorized Principal Amount of the Initial Bonds, insuring the Trustee's interest under the Mortgage as a holder of a mortgage lien on the Mortgaged Property, subject only to Permitted Encumbrances, and (z) a current or updated survey of the Mortgaged Property, certified to the Trustee, the Issuer and the title company issuing such title insurance policy. The title insurance policy shall be subject only to Permitted Encumbrances and shall provide for, among other things, the following: (1) full coverage against mechanics' liens; (2) no exceptions other than those approved by the Trustee; (3) an undertaking by the title insurer to provide the notice of title continuation or endorsement; and (4) such other matters as the Trustee shall request. Any proceeds of such mortgagee title insurance shall be paid to the Trustee for deposit in the Renewal Fund and applied to remedy the applicable defect in title in respect of which such proceeds shall be derived (including the reimbursement to the Institution for any costs incurred by the Institution in remedying such defect in title). If not so capable of being applied or if a balance remains after such application, the amounts in the Renewal Fund shall be transferred by the Trustee 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.

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 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 each Promissory Note. On the Closing Date, the Institution shall execute and deliver each Promissory Note payable to the Issuer, and the Issuer will endorse each Promissory Note to the Trustee. The Institution acknowledges and agrees that repayment of the Loan and each 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 Initial Bonds (A) on May 1, 2022, an amount equal to one-fifth (1/5) of the amount of interest due and payable for the period beginning December 1, 2021 and ending April 30, 2022, (B) on November 1, 2022, an amount equal to one-sixth (1/6) of the amount of interest due and payable for the period beginning May 1, 2022 and ending October 31, 2022, and (C) thereafter in an amount equal to one-sixth (1/6) of the amount of interest which will become due and payable on the Initial Bonds on the next succeeding Interest Payment Date (after taking into account any amounts on deposit in the Interest Account of the Bond Fund, and as shall be available to pay interest on the Initial Bonds on such next succeeding Interest Payment Date); provided that in any event the aggregate amount so paid with respect to interest on the Initial Bonds on or before the Loan Payment Date immediately preceding an Interest Payment Date shall be an amount sufficient to pay the interest next becoming due on the Initial Bonds on such immediately succeeding Interest Payment Date;

(ii) with respect to principal due on the Initial Bonds (other than such principal amount as shall become due as a mandatory Sinking Fund Installment payment), (A) on November 1, 2022, an amount equal to one-eleventh (1/11) of the amount of the principal of the Bonds Outstanding becoming due (other than by reason of mandatory Sinking Fund Installments) for the period beginning December 1, 2022 and ending October 31, 2022, and (B) 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 Initial Bonds on or before the Loan Payment Date immediately preceding a principal payment date of the Initial Bonds shall be an amount sufficient to pay the principal of the Initial Bonds Outstanding becoming due on such next succeeding principal payment date of the Initial Bonds; provided further that in the event of the acceleration of the principal of the Initial Bonds, a loan payment in the amount of the principal amount of the Initial Bonds Outstanding (together with all interest accrued thereon to the date of payment), shall be due and payable on such date of acceleration;

(iii) with respect to Sinking Fund Installment payments due on the Initial Bonds, commencing on that Loan Payment Date as shall precede the first Sinking Fund Installment payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one eleventh (1/11) of the amount of the Sinking Fund Installment on the Initial Bonds first becoming due within the next succeeding thirteen (13) month period (or, if the first Sinking Fund Installment payment date following the Closing Date shall be on a date sooner than thirteen (13) calendar months following the Closing Date, then, with respect to such first Sinking Fund Installment, an amount equal to the quotient obtained by dividing such Sinking Fund Installment by the number of Loan Payment Dates between the Closing Date and such first Sinking Fund Installment payment date), and thereafter for each Sinking Fund Installment payment date commencing on that Loan Payment Date as shall precede such Sinking Fund Installment payment date by more than twelve (12) but less than thirteen (13) months, an amount equal to one-twelfth (1/12) of the amount of the Sinking Fund Installment of the Initial Bonds Outstanding becoming due within such next succeeding thirteen (13) month period; provided that in any event the aggregate amount so paid with respect to Sinking Fund Installments on the Initial Bonds on or before the Loan Payment Date immediately preceding a Sinking Fund Installment payment date of the Initial Bonds shall be an amount sufficient to pay the Sinking Fund Installment of the Initial Bonds Outstanding becoming due on such next succeeding Sinking Fund Installment payment date;

(iv) on each redemption date, with respect to the Redemption Price (other than by Sinking Fund Installments) due and payable on the Initial Bonds, whether as an optional or mandatory redemption, an amount equal to the Redemption Price together with accrued interest on the Initial Bonds being redeemed on such redemption date; and

(v) 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 Debt Service Reserve

Fund shall be less than the Debt Service Reserve Fund Requirement, the Institution shall pay to the Trustee for deposit in the 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 eleven (11) succeeding months, or over such longer time period as shall be consented to in writing by the Majority Holders, an amount equal to one sixth (1/12th) 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.

(c) The Institution has the option to make advance loan payments for deposit in the Bond Fund to effect the retirement, defeasance or redemption of the Bonds in whole or in part, all in accordance with the terms of the Indenture; provided, however, that no partial redemption of the Bonds may be effected through advance loan payments hereunder if there shall exist and be continuing an Event of Default. The Institution shall exercise its option to make such advance loan payments by delivering a written notice of an Authorized Representative of the Institution to the Trustee in accordance with the Indenture, with a copy to the Issuer, setting forth (u) the amount of the advance loan payment, (v) the principal amount of Bonds Outstanding requested to be redeemed with such advance loan payment (which principal amount shall be in such minimum amount or integral Authorized Denomination as shall be permitted in the Indenture), and (w) the date on which such principal amount of Bonds are to be redeemed (which date shall be not earlier than forty-five (45) days after the date of such notice). In the event the Institution shall exercise its option to make advance loan payments to effect the redemption in whole of the Bonds, and such redemption is expressly permitted under the Indenture as a result of the damage, destruction or condemnation of the Facility, or changes in law, or executive or judicial action, the Institution shall further deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution stating that, as a result of the occurrence of the event giving rise to such redemption, the Institution has discontinued, or at the earliest practicable date will discontinue, its operation of the Facility for its intended purposes. Such advance loan payment shall be paid to the Trustee in legal tender, for deposit in the Redemption Account of the Bond Fund on or before the redemption date and shall be an amount which, when added to the amounts on deposit in the Bond Fund and available therefor, will be sufficient to pay the Redemption Price of the Bonds to be redeemed, together with interest to accrue to the date of redemption and all expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents in connection with such redemption. In the event the Bonds are to be redeemed in whole or otherwise retired, the Institution shall further pay on or before such redemption date, in legal tender, to the Issuer, the Trustee, the Bond Registrar and the Paying Agent all fees and expenses owed such party or any other party entitled thereto under this Agreement or the Indenture together with (x) all other amounts due and payable under this Agreement and the other Security Documents, and (y) any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement.

(d) At its option, to be exercised on or before the forty-fifth (45th) day next preceding the date any Bonds of a Series are to be redeemed from mandatory Sinking Fund Installments, the Institution may deliver to the Trustee Bonds of such Series which are subject to

mandatory Sinking Fund Installment redemption in an aggregate principal amount not in excess of the principal amount of Bonds of such Series to be so redeemed on such date. Each such Bond so delivered shall be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the obligation of the Issuer on such Sinking Fund Installment payment date and any excess over such Sinking Fund Installment shall be credited on future Sinking Fund Installments in direct chronological order, and the principal amount of Bonds to be redeemed by operation of the mandatory Sinking Fund Installments shall be accordingly reduced.

(e) In the event Defaulted Interest (as defined in Section 2.02(f) of the Indenture) shall become due on any Initial Bond, the Institution shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on such Initial Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with Section 2.02(f) of the Indenture), and shall deposit with the Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment.

(f) No further loan payments need be made to the Issuer on account of the Bonds when and so long as the amount of cash and/or Defeasance Obligations on deposit in the Bond Fund is sufficient to satisfy and discharge the obligations of the Issuer under the Indenture and pay the Bonds as provided in Article X of the Indenture.

(g) Any amounts remaining in the 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 X of the Indenture), (x) the fees, charges and expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents in accordance with the Indenture, (y) all amounts required to be rebated to the Federal government pursuant to the Tax Regulatory Agreement or the Indenture, and (z) all amounts required to be paid under any Project Document, shall have been so paid, shall belong to and be paid to the Institution by the Trustee as overpayment of the loan payments.

(h) In the event that the Institution fails to make any loan payment required in this Section 4.3, the installment so in default shall continue as an obligation of the Institution until the amount in default shall have been fully paid.

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

Section 4.4 Loan Payments and Other Payments Payable Absolutely Net

. The obligation of the Institution to pay the loan payments and other payments under this Agreement and under the Promissory Note shall be absolutely net to the Issuer and to the Trustee without any abatement, recoupment, diminution, reduction, deduction, counterclaim, set-off or

offset whatsoever, so that this Agreement and the Promissory Note shall yield, net, to the Issuer and to the Trustee, the loan payments and other payments provided for herein, and all costs, expenses and charges of any kind and nature relating to the Facility, arising or becoming due and payable under this Agreement, shall be paid by the Institution and the Indemnified Parties shall be indemnified by the Institution for, and the Institution shall hold the Indemnified Parties harmless from, any such costs, expenses and charges.

Section 4.5 Nature of Institution's Obligation Unconditional

. The Institution's obligation under this Agreement and under the Promissory Note to pay the loan payments and all other payments provided for in this Agreement and in the Promissory Note shall be absolute, unconditional and a general obligation of the Institution, irrespective of any defense or any rights of set-off, recoupment or counterclaim or deduction and without any rights of suspension, deferment, diminution or reduction it might otherwise have against the Issuer, the Trustee or the Holder of any Bond and the obligation of the Institution shall arise whether or not the Project has been completed as provided in this Agreement and whether or not any provider of a credit facility or liquidity facility with respect to the Bonds shall be honoring its obligations thereunder. The Institution will not suspend or discontinue any such payment or terminate this Agreement (other than such termination as is provided for hereunder), or suspend the performance or observance of any covenant or agreement required on the part of the Institution hereunder, for any cause whatsoever, and the Institution waives all rights now or hereafter conferred by statute or otherwise to quit, terminate, cancel or surrender this Agreement or any obligation of the Institution under this Agreement except as provided in this Agreement or to any abatement, suspension, deferment, diminution or reduction in the loan payments or other payments hereunder or under the Promissory Note.

Section 4.6 Advances by the Issuer or the Trustee

. In the event the Institution fails to make any payment or to perform or to observe any obligation required of it under this Agreement, under the Promissory Note or under any other Security Document, the Issuer or the Trustee, after first notifying the Institution in writing of any such failure on its part (except that no prior notification of the Institution shall be required in the event of an emergency condition that, in the reasonable judgment of the Issuer or the Trustee, necessitates immediate action), may (but shall not be obligated to), and without waiver of any of the rights of the Issuer or the Trustee under this Agreement or any other Security Document to which the Issuer or the Trustee is a party, make such payment or otherwise cure any failure by the Institution to perform and to observe its other obligations hereunder or thereunder. All amounts so advanced therefor by the Issuer or the Trustee 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 or the Trustee, as applicable. Any remedy vested in the Issuer or the Trustee herein or in any other Security Document for the collection of the loan payments or other payments or other amounts due hereunder, under the Promissory Note or under any other Security Document shall also be available to the Issuer or the Trustee for the collection of all such amounts so advanced. No advance shall be made by the Trustee except as specified in the Indenture.

ARTICLE V

RECAPTURE OF BENEFITS

Section 5.1 Recapture of Benefits

. It is understood and agreed by the parties to this Agreement that the Issuer is entering into this Agreement in order to provide financial assistance to the Institution for the Project and to accomplish its corporate public purposes. In consideration therefor, the Institution hereby agrees as follows:

(a) The following capitalized terms shall have the respective meanings specified below:

Benefits shall mean the exemption from any applicable mortgage recording taxes, and filing and recording fees.

Recapture Event shall mean any one of the following events:

(i) Reserved.

(ii) Except as permitted by written consent of the Issuer pursuant to and in accordance with Section 8.20, the Institution shall have liquidated all or substantially all of its operating assets or shall have ceased all or substantially all of its operations.

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

(iv) The Facility has ceased to be the Approved Facility and/or the Institution shall have substantially changed the scope and nature of its operations at the Facility Realty.

(v) Except as permitted by written consent of the Issuer pursuant to and in accordance with Section 8.20, the Institution shall have sold, leased or otherwise disposed of all or substantially all of the Facility Realty.

(vi) The Institution shall have subleased all or part of the Facility Realty in violation of Section 8.9.

(vii) The Institution shall have relocated all or substantially all of its operations at the Facility Realty to another site; provided, however, and notwithstanding the foregoing, such relocation shall not be a Recapture Event if (A) the Institution has relocated its operations at the Facility Realty and at least 90% of its employees employed at the Facility Realty prior to the relocation, to another site within the City, (B) the Institution maintains, for the remaining balance of the Recapture Period, an employment level equal to at least 90% of the number of employees employed by the Institution at the Facility Realty prior to relocation, and (C) the Institution shall satisfy such other additional conditions as the Issuer may from time to time impose provided such additional conditions

are reasonable and uniformly imposed, at the time, to other similar transactions under similar circumstances. There shall arise another Recapture Event upon the failure of the Institution to satisfy continuously the foregoing requirements for the remaining balance of the Recapture Period. Upon the occurrence of such subsequent Recapture Event, the Issuer shall have the right to demand payment of all amounts due under Section 5.1(b) or (c), and the calculation of interest pursuant to Section 5.1(c)(iii) shall assume that the subsequent Recapture Event replaces the original Recapture Event for purposes of that computation. The determination of the pre-relocation, 90%-employment level shall be done in a manner, and in respect of a date or period of time, that the Issuer deems appropriate in its sole discretion.

Notwithstanding the foregoing, a Recapture Event shall not be deemed to have occurred if the Recapture Event:

(A) shall have arisen as a direct, immediate result of (x) force majeure as defined in Section 12.1, (y) a taking or condemnation by governmental authority of all or substantially all of the Facility Realty, or (z) the inability at law of the Institution to rebuild, repair, restore or replace the Facility Realty after the occurrence of a Loss Event to substantially its condition prior to such Loss Event, which inability shall have arisen in good faith through no fault on the part of the Institution or any Affiliate, or

(B) is deemed, in the sole discretion of the Issuer, to be (x) as necessitated by law, (y) minor in nature, or (z) a cause of undue hardship to the Institution were the Issuer to recapture any Benefits.

Recapture Period shall mean the period of time commencing on the Closing Date, and expiring on the date which is the tenth anniversary of the Closing Date.

(b) If there shall occur a Recapture Event during the Recapture Period, the Institution shall pay to the Issuer as a return of financial assistance conferred by the Issuer, the following amounts upon demand by the Issuer: (i) all Benefits; and (ii) interest described in Section 5.1(c)(iii).

(c) During the Recapture Period, the Institution shall pay to the Issuer as a return of financial assistance conferred by the Issuer, the following amounts (as applicable) upon demand by the Issuer:

(i) If the Recapture Event occurs within the first six (6) years after the Closing Date, one hundred percent (100%) of the Benefits.

(ii) If the Recapture Event occurs within any month during any one of the seventh, eighth, ninth or tenth years after the Closing Date, X percent of the Benefits (where "X" is a percent equal to 100% less Y, and where "Y" equals the product of 1.666% and the number of months elapsed commencing with the first month of the seventh year through and including the month in which the Recapture Event occurs).

(iii) The principal of the Benefits to be recaptured, whether pursuant to clause (i) or (ii) above, shall bear interest at a rate equal to the lesser of (x) the maximum amount of interest permitted by law, and (y) the statutory judgment rate, compounded daily, commencing from the date that any amount of Benefit principal has accrued to the Institution, through and including the date such principal is repaid in full; such that Benefit principal comprising the dollar amount of the exemption from mortgage recording taxes, and filing and recording fees, shall be deemed to have accrued to the Institution on the Closing Date. The "statutory judgment rate" shall be the statutory judgment rate in effect on the date of the Issuer's demand.

For purposes of this Section 5.3, demand for payment by the Issuer shall be made in accordance with the notice requirements of this Agreement and the due date for payment shall be not less than seven (7) Business Days from the date of the notice.

(d) The Institution shall furnish the Issuer with written notification of any Recapture Event within ten (10) days of its occurrence and shall subsequently provide to the Issuer in writing any additional information that the Issuer may request.

(e) The provisions of this Section 5.1 shall survive the termination of this Agreement for any reason whatsoever, notwithstanding any provision of this Agreement to the contrary.

ARTICLE VI

DAMAGE, DESTRUCTION AND CONDEMNATION

Section 6.1 Damage, Destruction and Condemnation

. In the event that the whole or part of the Facility shall be damaged or destroyed, or taken or condemned by a competent authority for any public use or purpose, or by agreement to which the Institution and those authorized to exercise such right are parties, or if the temporary use of the Facility shall be so taken by condemnation or agreement (a "**Loss Event**"):

(i) the Issuer shall have no obligation to rebuild, replace, repair or restore the Facility or to advance funds therefor,

(ii) there shall be no abatement, postponement or reduction in the loan payments or other amounts payable by the Institution under this Agreement or the Promissory Note or any other Security Document to which it is a party, and the Institution hereby waives, to the extent permitted by law, any provisions of law which would permit the Institution to terminate this Agreement, the Promissory Note or any other Security Document, or eliminate or reduce its payments hereunder, under the Promissory Note or under any other Security Document, and

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

Section 6.2 Loss Proceeds

.

(a) The Issuer, the Trustee and the Institution shall cooperate and consult with each other in all matters pertaining to the settlement, compromise, arbitration or adjustment of any claim or demand on account of any Loss Event, and the settlement, compromise, arbitration or adjustment of any such claim or demand shall, as between the Issuer and the Institution, be subject to the written approval of the Institution and the Trustee (such approvals not to be unreasonably withheld).

(b) The Net Proceeds with respect to the Facility shall be paid to the Trustee and deposited in the Renewal Fund (except as provided in Section 3.11(d) of the Mortgage in respect of property insurance proceeds that are less than a threshold amount). Pending the disbursement or transfer thereof, the Net Proceeds in the Renewal Fund shall be applied, and may be invested, as provided in the Indenture. The Institution shall be entitled to the Net Proceeds of any insurance proceeds or condemnation award, compensation or damages attributable to the Institution's Property.

Section 6.3 Election to Rebuild or Terminate

.

(a) In the event a Loss Event shall occur, the Institution shall either:

(i) at its own cost and expense (except to the extent paid from the Net Proceeds), within one (1) year of the Loss Event, promptly and diligently rebuild, replace, repair or restore the Facility to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, regardless of whether or not the Net Proceeds derived from the Loss Event shall be sufficient to pay the cost thereof, and the Institution shall not by reason of payment of any such excess costs be entitled to any reimbursement from the Issuer, the Trustee or any Bondholder, nor shall the loan payments or other amounts payable by the Institution under this Agreement or the Promissory Note or any other Security Document be abated, postponed or reduced, or

(ii) if, to the extent and upon the conditions permitted to do so under Sections 10.1 and 10.2 and under the Indenture, exercise its option to terminate this Agreement and cause the Bonds to be redeemed in whole;

provided that if all or substantially all of the Facility shall be taken or condemned, or if the taking or condemnation renders the Facility unsuitable for use by the Institution as contemplated hereby, the Institution shall exercise its option to terminate this Agreement pursuant to Sections 10.1 and 10.2.

Not later than ninety (90) 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 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 Bond Registrar and the Paying Agents, together with all other amounts due under the Indenture, under this Agreement and under each other Security Document, as well as any amounts required to be rebated to the Federal government pursuant to the Indenture or the Tax

Regulatory Agreement and such amount so deposited shall be applied, together with such other available amounts in the Bond Fund, if applicable, to such redemption or retirement of the Bonds on said redemption or Maturity Date.

Section 6.4 Effect of Election to Build

.

(a) All rebuilding, replacements, repairs or restorations of the Facility in respect of or occasioned by a Loss Event shall:

(i) automatically be deemed a part of the Facility under this Agreement and, with respect to Mortgaged Property, shall be subject to the lien and security interest of the Mortgage,

(ii) be 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 $250,000, be effected under the supervision of an Independent Engineer.

(b) The date of completion of the rebuilding, replacement, repair or restoration of the Facility shall be evidenced to the Issuer and the Trustee by a certificate of an Authorized Representative of the Institution stating (i) the date of such completion, (ii) that all labor, services, machinery, equipment, materials and supplies used therefor and all costs and expenses in connection therewith have been paid for or arrangement for payment, reasonably satisfactory to the Trustee, has been made (iii) that the Facility has been rebuilt, replaced, repaired or restored to substantially its condition immediately prior to the Loss Event, or to a condition of at least equivalent value, operating efficiency and function, (iv) that all property constituting part of the Facility is under this Agreement and, if applicable, subject to the mortgage lien and security

interest of the Mortgage, subject to Permitted Encumbrances, (v) the Rebate Amount applicable with respect to the Net Proceeds and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund), and (vi) that the restored Facility is ready for occupancy, use and operation for its intended purposes. Notwithstanding the foregoing, such certificate shall state (x) that it is given without prejudice to any rights of the Institution against third parties which exist at the date of such certificate or which may subsequently come into being, (y) that it is given only for the purposes of this Section and Section 5.03 of the Indenture and (z) that no Person other than the Issuer or the Trustee may benefit therefrom.

(c) The certificate delivered pursuant to Section 6.4(b) shall be accompanied by (i) a certificate of occupancy (either temporary or permanent, provided that if it is a temporary certificate of occupancy, the Institution will proceed with due diligence to obtain a permanent certificate of occupancy), if required, and any and all permissions, licenses or consents required of governmental authorities for the occupancy, operation and use of the Facility for the purposes contemplated by this Agreement; (ii) a certificate of an Authorized Representative of the Institution that all costs of rebuilding, repair, restoration and reconstruction of the Facility have been paid in full, together with releases of mechanics' liens by all contractors and materialmen who supplied work, labor, services, materials or supplies in connection with the rebuilding, repair, restoration and reconstruction of the Facility (or, to the extent that any such costs shall be the subject of a bona fide dispute, evidence to the Trustee that such costs have been appropriately bonded or that the Institution shall have posted a surety or security at least equal to the amount of such costs); and (iii) a search prepared by a title company, or other evidence satisfactory to the Trustee, indicating that there has not been filed with respect to the Facility any mechanic's, materialmen's or any other lien in connection with the rebuilding, replacement, repair and restoration of the Facility and that there exist no encumbrances other than Permitted Encumbrances and those encumbrances consented to by the Issuer and the Trustee.

ARTICLE VII

COVENANTS OF THE ISSUER

Section 7.1 Assignment of Promissory Note and Assignment of Mortgage

. On the Closing Date, the Issuer will endorse and assign the Promissory Note to the Trustee, and execute and deliver to the Trustee the Assignment of Mortgage.

Section 7.2 Issuance of Initial Bonds

. On the Closing Date, subject to the satisfaction of the conditions to the issuance of the Initial Bonds, the Issuer will sell and deliver the Initial Bonds in the Authorized Principal Amount under and pursuant to the Bond Resolution and under and pursuant to the Indenture. The proceeds of sale of the Initial Bonds shall be deposited and applied in accordance with the provisions of the Indenture.

Section 7.3 Issuance of Additional Bonds

. Under the provisions of and subject to the conditions set forth in the Indenture, the Issuer is authorized to enter into a Supplemental Indenture and issue one or more series of Additional Bonds on a parity with the Initial Bonds for the purpose of (w) completing the Project, (x) providing funds in excess of the Net Proceeds of insurance or eminent domain to repair, relocate, replace, rebuild or restore the Facility in the event of damage, destruction or taking by eminent domain, (y) providing extensions, additions or improvements to the Facility, or (z) refunding Outstanding Bonds. If the Institution is not in default hereunder or under any other Project Document, the Issuer will consider the issuance of a Series of Additional Bonds in a principal amount as is specified in a written request in accordance with the applicable provisions set forth in the Indenture.

Section 7.4 Pledge and Assignment to Trustee

. As security for the payment of the Bonds and the obligations of the Institution under the Security Documents:

(a) the Institution shall, pursuant to the Mortgage, grant to the Issuer and the Trustee, for the benefit of the Bondholders, a mortgage lien on and security interest in its fee interest in the Mortgaged Property;

(b) the Issuer shall assign its right, title and interest in the Mortgage to the Trustee pursuant to the Assignment of Mortgage; and

(c) the Issuer shall pledge and assign to the Trustee, for the benefit of the Bondholders, pursuant to the Indenture all of the Issuer's right, title and interest in the Promissory Note and all of the Issuer's right, title and interest in this Agreement (except for the Issuer's Reserved Rights), including all loan payments hereunder and under the Promissory Note, and in furtherance of such pledge, the Issuer will unconditionally assign such loan payments to the Trustee for deposit in the Bond Fund in accordance with the Indenture.

ARTICLE VIII

COVENANTS OF THE INSTITUTION

Section 8.1 Insurance

.

(a) Definitions. The following capitalized terms shall have the respective meanings specified below:

Certificate means an ACORD certificate evidencing insurance.

CGL means commercial general liability insurance.

CM means a construction manager providing construction management services in connection with any Construction.

Construction means any construction, reconstruction, restoration, renovation, alteration and/or repair on, in, at or about the Facility Realty, including any construction, reconstruction, restoration, alteration and/or repair required under this Agreement in connection with the Facility.

Contractor(s) means, individually or collectively, a contractor or subcontractor providing materials and/or labor and/or other services in connection with any Construction, but not including a GC, CM or any architect or engineer providing professional services.

GC means any general contractor providing general contracting services in connection with any Construction.

Insured means the Institution.

Insurer means any entity writing or issuing a Policy.

ISO means the Insurance Services Office or its successor.

ISO Form CG-0001 means the CGL form published by ISO at the Closing Date.

Policy(ies) means, collectively or individually, the policies required to be obtained and maintained pursuant to Section 8.1(b) and (c).

SIR means self-insured retention.

U/E means Umbrella or Excess Liability insurance.

Workers' Compensation means Workers' Compensation, disability and employer liability insurance.

(b) Required Insurance. Except during periods of Construction, the Insured shall obtain and maintain for itself as a primary insured the following insurance:

(i) CGL with $1,000,000 minimum per occurrence; $2,000,000 minimum in the aggregate; and per-location aggregate. This Policy shall contain coverage for contractual liability, premises operations, and products and completed operations.

(ii) U/E with $4,000,000 minimum per occurrence on terms consistent with CGL. The excess coverage provided under U/E shall be incremental to the CGL to achieve minimum required coverage of $5,000,000 per occurrence; such incremental coverage must also apply to auto liability (see Section 8.1(b)(iii)), whether auto liability coverage is provided by endorsement to the Insured's CGL or by a stand-alone policy.

(iii) Auto liability insurance with $1,000,000 combined single limit and $1,000,000 for uninsured or under-insured vehicles. If the Insured owns any vehicles, it shall obtain auto liability insurance in the foregoing amounts for hired and non-owned vehicles. Coverage should be at least as broad as ISO Form CA0001, ed. 10/01.

(iv) Workers Compensation satisfying State statutory limits. Coverage for employer liability shall be in respect of any work or operations in, on or about the Facility Realty.

(v) Property insurance in the amount required under the Mortgage.

(c) Required Insurance During Periods of Construction. In connection with any Construction and throughout any period of such Construction, the Institution shall cause the following insurance requirements to be satisfied:

(i) The Insured shall obtain and maintain for itself Policies in accordance with all requirements set forth in Section 8.1(b).

(ii) Any GC or CM shall obtain and maintain for itself as a primary insured the following Policies:

(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 $15,000,000 (combined CGL and U/E required by Sections 8.1(b) and 8.1(c)) may be achieved by any combination of coverage amounts between the Insureds on the one hand and the GC or CM on the other.

(iv) Each Contractor shall obtain and maintain for itself as a primary insured the following insurance:

(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, the Trustee and the Master Trustee as additional insureds on a primary and non-contributory basis as more particularly required in Section 8.1(f)(i). In addition, each Contractor shall protect the Issuer, the Trustee and the Master Trustee as additional insureds on a primary and non-contributory basis via ISO endorsements CG 20 26 and CG 20 37, or their equivalents and the endorsements must specifically identify the Issuer, the Trustee and the Master Trustee as Additional Insureds.

(ii) No Policy shall have a deductible.

(iii) CGL shall not be subject to SIR.

(iv) CGL shall be written on either ISO Form CG-0001 or on such other form that the Institution may request provided that any requested substitute shall provide an additional insured with substantially equivalent coverage to that enjoyed by an additional insured in a policy written on ISO Form CG-0001 and provided further that the substitute is reasonably approved by the Issuer. If the Insured intends to renew its CGL on a form that is not ISO Form CG-0001, it shall provide the Issuer, the Trustee and the Master Trustee with a copy of the substitute form at least sixty (60) days prior to the intended date on which the renewal Policy is to be effective.

(v) The Institution acknowledges that the Issuer, the Trustee and the Master Trustee are materially relying upon the content of ISO Form CG-0001 to implement the Issuer's insurance requirements under this Section 8.1; accordingly, the Institution agrees that non-standard exclusions and other modifications to ISO Form CG-0001 are prohibited under the terms and conditions of this Section 8.1. In the event that ISO either ceases to exist or discontinues ISO Form CG-0001, the Issuer, the Trustee or the Master Trustee shall have the right to require, for all purposes hereunder, a different CGL form, provided that the replacement is substantially similar to ISO Form CG-0001.

(vi) Without limiting Section 8.1(d)(v) or the application of any other requirement under this Section 8.1, no Policy delivered hereunder shall limit (whether by exception, exclusion, endorsement, script or other modification) any of the following coverage attributes:

(A) contractual liability coverage insuring the contractual obligations of the 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 and/or the Master Trustee by employees of an Insured, or (y) claims against the Issuer and/or the Trustee and/or the Master Trustee by any GC, CM, Contractor, architect or engineer or by the employees of any of the foregoing, or (z) claims against the Issuer and/or the Trustee and/or the Master Trustee arising out of any work performed by a GC, CM, Contractor, architect or engineer.

(vii) U/E shall follow the form of CGL except that U/E may be broader.

(viii) Each Policy shall provide primary insurance and the issuing Insurer shall not have a right of contribution from any other insurance policy insuring the Issuer and/or the Trustee and/or the Master Trustee.

(ix) In each Policy, the Insurer shall waive, as against any Person insured under such Policy including any additional insured, the following: (x) any right of subrogation, (y) any right to set-off or counterclaim against liability incurred by a primary insured or any additional insured, and (z) any other deduction, whether by attachment or otherwise, in respect of any liability incurred by any primary insured or additional insured.

(x) Policies shall not be cancellable without at least thirty (30) days' prior written notice to the Issuer, the Trustee and the Master Trustee as additional insureds.

(xi) Each Policy under which the Issuer, the Trustee and the Master Trustee is an additional insured shall provide that the Issuer, the Trustee and the Master Trustee will not be liable for any insurance premium, commission or assessment under or in connection with any Policy.

(e) Required Insurer Attributes. All Policies must be issued by Insurers satisfying the following requirements:

(i) Insurers shall have a minimum AM Best rating of A minus.

(ii) Each Insurer must be an authorized insurer in accordance with Section 107(a) of the New York State Insurance Law.

(iii) Insurers must be admitted in the State; provided, however, that if 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, the Trustee and the Master Trustee a Certificate or Certificates evidencing all Policies required by this Section 8.1 (w) at the Closing Date, (x) prior to the expiration or sooner termination of Policies, (y) prior to the commencement of any Construction, and (z) upon request by the Issuer, the Trustee or the Master Trustee. If the Certificate in question evidences CGL, such Certificate shall name the Issuer, the Trustee and the Master Trustee as additional insureds in the following manner:

Build NYC Resource Corporation, The Bank of New York Mellon, as Trustee, and The Bank of New York Mellon, as Master 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: 2336 Andrews Avenue North, Bronx, New York, 500 Courtlandt Avenue, Bronx, New York and 413 East 144th Street, Bronx, 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, the Trustee and the Master Trustee the following:

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

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

(C) Prior to the commencement of any Construction, the Insured shall deliver to the Issuer, the Trustee and the Master Trustee a declarations page and a schedule of forms and endorsements pertinent to the CGL under which the Insured is to be the primary insured during the period of such Construction.

(iii) Insurance to be obtained by GCs and CMs. Prior to the commencement of any Construction that entails the services of a GC or CM, the Institution shall provide to the Issuer, the Trustee and the Master 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, the Trustee or the Master Trustee, cause any or all Contractors to provide evidence, satisfactory to the Issuer, the Trustee and the Master Trustee, that such Contractors have obtained and maintain the Policies that they are required to obtain and maintain in accordance with the requirements of Section 8.1(c).

(g) Notice. The Institution shall immediately give the Issuer, the Trustee and the Master Trustee notice of each occurrence that is reasonably probable to give rise to a claim under the insurance required to be maintained by this Section 8.1.

(h) Miscellaneous.

(i) If, in accordance with the terms and conditions of this Section 8.1, an Insured is required to obtain the consent of the Issuer and/or the Trustee and/or the Master Trustee, the Institution shall request such consent in a writing provided to the Issuer and/or the Trustee and/or the Master Trustee at least thirty (30) days in advance of the commencement of the effective period (or other event) to which the consent pertains.

(ii) The delivery by 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, the Trustee and the Master Trustee that the Insured does not own vehicles.

(iii) The Insured shall neither do nor omit to do any act, nor shall it suffer any act to be done, whereby any Policy would or might be terminated, suspended or impaired.

(iv) If insurance industry standards applicable to properties similar to the Facility Realty and/or operations similar to the operations of the Institution materially change; and if, as a consequence of such change, the requirements set forth in this Section 8.1 become inadequate in the reasonable judgment of the Issuer, the Trustee or the Master Trustee for the purpose of protecting the Issuer, the Trustee and the Master Trustee against third-party claims, then the Issuer, the Trustee or the Master Trustee shall have the right to supplement and/or otherwise modify such requirements, provided, however, that such supplements or modifications shall be commercially reasonable.

(v) THE ISSUER, THE TRUSTEE AND THE MASTER 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, the Master Trustee or any other party to the transactions contemplated by this Agreement, may make exceptions to the requirements under this Section 8.1 by a written instrument executed by the Issuer. In the event the Institution shall request the Issuer to make any exception to the requirements under this Section 8.1, the Issuer shall not unreasonably withhold its consent. The Institution acknowledges that the Issuer's decision in this respect will be deemed reasonable if made in furtherance of protecting the Issuer from liability.

Section 8.2 Indemnity

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(a) The Institution shall at all times indemnify, defend, protect and hold the Issuer, the Trustee, the Bond Registrar and the Paying Agents, and any director, member, officer, employee, servant, agent (excluding for this purpose the Institution, which is not obligated hereby to indemnify its own employees, Affiliates or affiliated individuals) thereof and persons under the Issuer's control or supervision (collectively, the "**Indemnified Parties**" and each an "**Indemnified Party**") harmless of, from and against any and all claims (whether in tort, contract or otherwise), taxes (of any kind and by whomsoever imposed), demands, penalties, fines, liabilities, lawsuits, actions, proceedings, settlements, costs and expenses, including attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses (collectively, "**Claims**") of any kind for losses, damage, injury and liability (collectively, "**Liability**") of every kind and nature and however caused (except, with respect to any Indemnified Party, Liability arising from the gross negligence or willful misconduct of such Indemnified Party), arising during the period commencing on the Indemnification Commencement Date, and continuing until the termination of this Agreement, arising upon, about, or in any way connected with the Facility, the Project, or any of the transactions with respect thereto, including:

(i) the financing of the costs of the Facility or the Project and the marketing, offering, issuance, sale and remarketing of the Bonds for such purpose,

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

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

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

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

(vi) any imposition arising from, burden imposed by, violation of, or failure to comply with any Legal Requirement, including failure to comply with the requirements of the City's zoning resolution and related regulations, or

(vii) the presence, disposal, release, or threatened release of any Hazardous Materials that are on, from, or affecting the Facility; any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials, and/or any violation of Legal Requirements, including demands of government authorities, or any policies or requirements of the Issuer, which are based upon or in any way related to such Hazardous Materials.

(b) The Institution releases each Indemnified Party from, and agrees that no Indemnified Party shall be liable to the Institution or its Affiliates for, any Claim or Liability arising from or incurred as a result of action taken or not taken by such Indemnified Party with respect to any of the matters set forth in Section 8.2(a) including any Claim or Liability arising from or incurred as a result of the negligence or gross negligence of such Indemnified Party, or at the direction of the Institution with respect to any of such matters above referred to.

(c) An Indemnified Party shall promptly notify the Institution in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the Institution pursuant to this Section 8.2; such notice shall be given in sufficient time to allow the Institution to defend or participate in such claim or action, but the failure to give such notice

in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Institution under this Section 8.2.

(d) Anything to the contrary in this Agreement notwithstanding, the covenants of the Institution contained in this Section 8.2 shall be in addition to any and all other obligations and liabilities that the Institution may have to any Indemnified Party in any other agreement or at common law, and shall remain in full force and effect after the termination of this Agreement until the later of (x) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (y) payment in full or the satisfaction of such claim or cause of action and of all expenses and charges incurred by the Indemnified Party relating to the enforcement of the provisions herein specified.

Section 8.3 Compensation and Expenses of the Issuer, the Trustee, the Bond Registrar and the Paying Agents; Administrative and Project Fees

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(a) The Institution shall pay the fees, costs and expenses of the Issuer together with any fees and disbursements incurred by lawyers or other consultants in performing services for the Issuer in connection with this Agreement or any other Project Document, together with all fees and costs incurred in connection with complying with Section 8.12(b) (including fees and disbursements of lawyers and other consultants).

(b) On the Closing Date, the Institution shall pay to the Issuer the Initial Annual Administrative Fee and the Project Fee.

(c) The Institution further agrees to pay the Annual Administrative Fee to the Issuer on each July 1 following the Closing Date until the Termination Date (the Annual Administrative Fee shall not be pro-rated for the final period ending on the Termination Date). In the event the Institution shall fail to pay the Annual Administrative Fee on the date due, the Issuer shall have no obligation to deliver notice of such failure to the Institution.

(d) The Institution shall, to the extent not paid out of the proceeds of the Bonds as financing expenses, pay the following fees, charges and expenses and other amounts:

(i) the initial and annual fees of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture, including fees and expenses as Bond Registrar and in connection with preparation of new Bonds upon exchanges or transfers or making any investments in accordance with the Indenture and the reasonable fees of its counsel,

(ii) the reasonable fees and charges of the Trustee and any Paying Agents on the Bonds for acting as paying agents as provided in the Indenture, including the reasonable fees of its counsel,

(iii) the reasonable fees, charges, and expenses of the Trustee for extraordinary services rendered by it under the Indenture, including reasonable counsel fees, and

(iv) the reasonable fees, costs and expenses of the Bond Registrar.

Section 8.4 Current Facility Personalty Description

. The Institution covenants and agrees that, until the termination of this Agreement, including upon the completion of the Project or of any replacement, repair, restoration or reconstruction of the Facility pursuant to Article VI, it will cause Exhibit B — "Description of the Facility Personalty", together with the "Description of the Facility Personalty" attached as part of the appendices to the Indenture, this Agreement and the Mortgage, to be an accurate and complete description of all current items of Facility Personalty. To this end, the Institution covenants and agrees that (x) no requisition shall be submitted to the Trustee for moneys from the Project Fund for the acquisition or installation of any item of Facility Personalty, (y) no item of Facility Personalty shall be substituted or replaced by a new item of machinery, equipment or other tangible personal property except pursuant to Section 3.5(a) or Article VI, and (z) no item of Facility Personalty shall be delivered and installed at the Facility Realty as part of the property comprising the Facility, unless in each case such item of machinery, equipment or other item of tangible personal property shall be accurately and sufficiently described in Exhibit B — "Description of the Facility Personalty", together with the "Description of the Facility Personalty" in the appendices attached as part of the Indenture, this Agreement and the Mortgage, and the Institution shall from time to time prepare and deliver to the Issuer and the Trustee supplements to such Appendices in compliance with the foregoing. Such supplements shall be executed and delivered by the appropriate parties and, at the Trustee's request, duly recorded by the Institution, and, at the Trustee's request, additional financing statements with respect thereto shall be duly filed by the Institution.

Section 8.5 Reserved

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Section 8.6 Environmental Matters

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(a) On or before the Closing Date, the Institution shall provide to the Issuer and the Trustee a letter from the Environmental Auditor addressed to the Issuer and the Trustee, stating that the Issuer and the Trustee may rely upon the Environmental Audit as if it was prepared for the Issuer and the Trustee in the first instance.

(b) The Institution shall not cause or permit the Facility or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in compliance with all applicable Legal Requirements, nor shall the Institution cause or permit, as a result of any intentional or unintentional act or omission on the part of the Institution or any occupant or user of the Facility, a release of Hazardous Materials onto the Facility or onto any other property.

(c) The Institution shall comply with, and require and enforce compliance by, all occupants and users of the Facility with all applicable Legal Requirements pertaining to

Hazardous Materials, whenever and by whomever triggered, and shall obtain and comply with, and ensure that all occupants and users of the Facility obtain and comply with, any and all approvals, registrations or permits required thereunder.

(d) The Institution shall conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials, on, from, or affecting the Facility in accordance with all applicable Legal Requirements.

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

(f) The parties hereto agree that the reference in Section 2.2(m) to the Environmental Audit is not intended, and should not be deemed to intend, to modify, qualify, reduce or diminish the Institution's obligations to carry out and perform all of the covenants stated throughout this Section 8.6 and in Section 8.2.

Section 8.7 Employment Matters

.

(a) Except as is otherwise provided by collective bargaining contracts or agreements, new employment opportunities created as a result of the Project shall be listed with the New York State Department of Labor ("**DOL**") Community Services Division, and with the administrative entity of the service delivery area created by the Workforce Investment Act of 1998 (29 U.S.C. §2801) in which the Facility Realty is located. Except as is otherwise provided by collective bargaining contracts or agreements, the Institution agrees, where practicable, to consider first, and cause each of its Affiliates at the Facility to consider first, persons eligible to participate in the Workforce Investment Act of 1998 (29 U.S.C. §2801) programs who shall be referred by administrative entities of service delivery areas created pursuant to such Act or by the Community Services Division of the DOL for such new employment opportunities.

(b) Upon the Issuer's written request, the Institution shall provide to the Issuer any employment information in the possession of the Institution which is pertinent to the Institution and the employees of the Institution to enable the Issuer and/or NYCEDC to comply with its reporting requirements required by City Charter §1301 and any other applicable laws, rules or regulations.

(c) The Institution hereby authorizes any private or governmental entity, including the DOL, to release to the Issuer and/or NYCEDC, and/or to the successors and assigns of either (collectively, the "**Information Recipients**"), any and all employment information under its control and pertinent to the Institution and the employees of the Institution to enable the Issuer and/or NYCEDC to comply with its reporting requirements required by City Charter §1301 and any other applicable laws, rules or regulations. Information released or provided to Information

Recipients by DOL, or by any other governmental entity, or by any private entity, or by the Institution, or any information previously released as provided by all or any of the foregoing parties (collectively, "**Employment Information**") may be disclosed by the Information Recipients in connection with the administration of the programs of the Issuer, and/or NYCEDC, and/or the successors and assigns of either, and/or the City, and/or as may be necessary to comply with law; and, without limiting the foregoing, the Employment Information may be included in (x) reports prepared by the Information Recipients pursuant to City Charter §1301, (y) other reports required of the Issuer, and (z) any other reports required by law. This authorization shall remain in effect until the termination of this Agreement.

(d) Upon the request of the Issuer, the Institution shall cooperate with the Issuer in the development of programs for the employment and/or training of members of minority groups in connection with performing work at the Facility.

(e) Nothing in this Section shall be construed to require the Institution to violate any existing collective bargaining agreement with respect to hiring new employees.

Section 8.8 Non-Discrimination

.

(a) At all times during the maintenance and operation of the Facility, the Institution shall not discriminate nor permit any of its Affiliates to discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The Institution shall use its best efforts to ensure that employees and applicants for employment with any tenant of the Facility are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term "treated" shall mean and include the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(b) The Institution shall, in all solicitations or advertisements for employees placed by or on behalf of the Institution state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin, age or sex.

(c) The Institution shall furnish to the Issuer all information required by the Issuer pursuant to this Section and will cooperate with the Issuer for the purposes of investigation to ascertain compliance with this Section.

Section 8.9 Assignment of this Agreement or Lease of Facility

.

(a) The Institution shall not at any time, except as permitted by Section 8.20, assign or transfer this Agreement without the prior written consents of the Issuer and the Trustee (which consents may be withheld by the Issuer or the Trustee in their absolute discretion); provided further, that the following conditions must be satisfied on or prior to the date the Issuer and the Trustee consent to any such assignment or transfer:

(i) the Institution shall have delivered to the Issuer 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 Facilities 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 and the Trustee such document and have agreed to keep and perform) all of the terms of this Agreement and each other Project Document on the part of the New Institution to be kept and performed, shall be subject to service of process in the State, and, if a corporation, shall be qualified to do business in the State;

(iv) the New Institution shall be a not-for-profit corporation or a limited liability company constituting a Tax-Exempt Organization;

(v) such assignment or transfer shall not violate any provision of this Agreement or any other Project Document;

(vi) an Opinion of Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that, (x) such assignment or transfer shall constitute the legally valid, binding and enforceable obligation of the New Institution and shall not legally impair in any respect the obligations of the New Institution for the payment of all loan payments nor for the full performance of all of the terms, covenants and conditions of this Agreement, of the Promissory Note or of any other Project Document to which the New Institution shall be a party, nor impair or limit in any respect the obligations of any other obligor under any other Project Document, and (y) this Agreement and each of the other Project Documents to which the New Institution is a party constitute the legally valid, binding and enforceable obligation of the New Institution;

(vii) the New Institution shall have delivered to the Issuer the Required Disclosure Statement in form and substance satisfactory to the Issuer;

(viii) each such assignment shall contain such other provisions as the Issuer or the Trustee may reasonably require; and

(ix) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such assignment or transfer shall not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes.

The Institution shall furnish or cause to be furnished to the Issuer and the Trustee a copy of any such assignment or transfer in substantially final form at least thirty (30) days prior to the date of execution thereof.

(b) With the exception of Permitted Users, as defined in Section 8.9(d), the Institution shall not at any time lease all or substantially all of the Facilities, except to the Organization pursuant to the Sublease Agreement, without the prior written consents of the Issuer and the Trustee (which consents may be withheld by the Issuer or the Trustee in their absolute discretion); nor shall the Institution lease part (*i.e.,* not constituting substantially all) of the Facilities without the prior written consents of the Issuer and the Trustee (which consents shall, in such case, not be unreasonably withheld and, in the case of the Issuer, such consent to be requested by the Institution of the Issuer in the form prescribed by the Issuer, and such consent of the Issuer to take into consideration the Issuer's policies as in effect from time to time); provided further, that the following conditions must be satisfied on or prior to the date the Issuer and the Trustee consent to any such letting:

(i) the Institution shall have delivered to the Issuer and the Trustee a certificate of an Authorized Representative to the effect that the lease shall not cause the Facilities to cease being the Approved Facility;

(ii) the Institution shall remain primarily liable to the Issuer for the payment of all loan and other payments and for the full performance of all of the terms, covenants and conditions of this Agreement and of the Promissory Note and of any other Project Document to which it shall be a party;

(iii) any lessee in whole or substantially in whole of the Facilities shall have assumed in writing (and shall have executed and delivered to the Issuer 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 Facilities as the Approved Facility and shall constitute a Tax-Exempt Organization;

(v) such lease shall not violate any provision of this Agreement or any other Project Document;

(vi) with respect to any letting in part of the Facilities, no more than an aggregate of twenty percent (20%) of the Completed Improvements Square Footage shall be leased by the Institution;

(vii) an Opinion of Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such lease shall constitute the legally valid, binding and enforceable obligation of the lessee and shall not legally impair in any respect the obligations of the Institution for the payment of all loan or other payments nor for the full performance of all of the terms, covenants and conditions of this Agreement, of the Promissory Note or of any other Project Document to which the Institution shall be a party, nor impair or limit in any respect the obligations of any other obligor under any other Project Document;

(viii) such lease shall in no way diminish or impair the obligation of the Institution to carry the insurance required under Section 3.11 of the Mortgage or Section 8.1 and the Institution shall furnish written evidence satisfactory to the Issuer and the Trustee that such insurance coverage shall in no manner be diminished or impaired by reason of such assignment, transfer or lease;

(ix) any such lessee shall have delivered to the Issuer the Required Disclosure Statement in form and substance satisfactory to the Issuer;

(x) each such lease shall contain such other provisions as the Issuer or the Trustee may reasonably require; and

(xi) an opinion of Nationally Recognized Bond Counsel shall have been delivered and addressed to the Issuer and the Trustee, to the effect that such lease shall not affect the exclusion of the interest on any 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 Facilities shall be deemed a lease subject to the provisions of this Section 8.9 other than "Permitted Users" defined as all Approved Users and users of the Facility under an "Excluded Use Agreement".

(e) Approved Users are permitted pursuant to a lease, license or other use or occupancy agreement by the Institution, including: (a) that certain Lease between the Institution and Roman Catholic Church of St. Nicholas of Tolentine, dated as of October 1, 2019 (as amended), (b) that certain Lease between the Institution and Roman Catholic Church of Saint Rita of Cascia and Saint Pius V, successor by merger to Church of St. Pius, Borough of Bronx, N.Y. City, dated as of January 17, 2013 (as amended), and (c) that certain Lease between the Institution and Roman Catholic Church of Saint Rita of Cascia and Saint Pius V, successor by merger to Church of St. Pius, Borough of Bronx, N.Y. City, dated as of August 1, 2016, as amended, if such action is in compliance with the Tax Regulatory Agreement, certain New York City public schools, not-for-profit community groups, governmental groups to have temporary use or other temporary possession of any portion of the Facility.

(f) All Permitted Users under Section 8.9(e) shall (i) comply with all covenants, restrictions and limitations described in the Tax Regulatory Agreement including, without

limitation, nongovernmental/private use and loan restrictions set forth in the Tax Regulatory Agreement, and (ii) the Institution's commercial general liability insurance shall cover all Permitted Users or the Institution shall require that all Permitted Users provide commercial general liability and excess/umbrella insurance covering such Permitted Users prior to the commencement of the applicable lease, license or other use or occupancy agreement 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 Facilities, including the Improvements, or any part of the Facilities or interest therein, except as set forth in Sections 3.3, 3.4, 3.5, 3.6, Article VI, 8.9 and 9.2 or in this Section, without (i) the prior written consents of the Issuer and of the Trustee and (ii) the Institution delivering to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that such action pursuant to this Section will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income taxes. Any purported disposition without such consents and opinion shall be void.

(b) The Institution may, with the prior written consents of the Issuer and the Trustee (such consents not to be unreasonably withheld or delayed), so long as there exists no Event of Default hereunder, grant such rights of way or easements over, across, or under, the Facility Realty, or grant such permits or licenses in respect to the use thereof, free from the lien and security interest of the Mortgage, as shall be necessary or convenient in the opinion of the Institution for the operation or use of the Facilities, or required by any utility company for its utility business, provided that, in each case, such rights of way, easements, permits or licenses shall not adversely affect the use or operation of the Facilities as the Approved Facility, and provided, further, that any consideration received by the Institution from the granting of said rights of way, easements, permits or licenses shall be paid to the Trustee and deposited in the Redemption Account of the Bond Fund. The Issuer agrees, at the sole cost and expense of the Institution, to execute and deliver, and to cause and direct the Trustee to execute and deliver, any and all instruments necessary or appropriate to confirm and grant any such right of way or easement or any such permit or license and to release the same from the lien and security interest of the Mortgage.

(c) So long as there exists no Event of Default hereunder, and the Institution delivers to the Trustee and the Issuer an opinion of Nationally Recognized Bond Counsel to the effect that the following action will not affect the exclusion of the interest on any Bonds then Outstanding from gross income for federal income tax purposes, the Institution may from time to time request in writing to the Issuer and the Trustee the release of and removal from the property comprising the Facilities under this Agreement and the lien and security interest of the Mortgage, of any unimproved part of the Land (on which none of the Improvements, including the buildings, structures, major appurtenances, fixtures or other property comprising the Facility Realty, is situated); provided that such release and removal will not adversely affect the use or operation of

the Facilities as the Approved Facility. Upon any such request by the Institution, the Issuer shall, at the sole cost and expense of the Institution, cause and direct the Trustee to execute and deliver any and all instruments necessary or appropriate to so release and remove such unimproved Land from the property comprising the Facilities under this Agreement and the lien and security interest of the Mortgage, subject to the following:

(i) any liens, easements, encumbrances and reservations to which title to said property was subject on the Closing Date;

(ii) any liens, easements and encumbrances created at the request of the Institution or to the creation or suffering of which the Institution consented;

(iii) any liens and encumbrances or reservations resulting from the failure of the Institution to perform or observe any of the agreements on its respective part contained in this Agreement or any other Project Document;

(iv) Permitted Encumbrances (other than the lien of the Mortgage); and

(v) any liens for taxes or assessments not then delinquent;

provided, however, that no such release shall be effected unless the following conditions have been satisfied:

(1) the Trustee shall have received a certificate of an Independent Engineer, dated not more than sixty (60) days prior to the date of the release, stating that, in the opinion of the person signing such certificate, the unimproved Land and the release thereof so proposed to be made is not needed for the operation of the remaining Facilities, will not adversely affect the use or operation of the Facilities as the Approved Facility and will not destroy the means of ingress thereto and egress therefrom;

(2) the Trustee shall have received an amount of cash for deposit in the Redemption Account of the Bond Fund equal to the greatest of (A) the original cost of the unimproved Land so released, such allocable cost to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City, (B) the fair market value of such unimproved Land, such value to be determined by the appraisal of an independent real estate brokerage firm of recognized standing within the City, and (C) if such unimproved Land is released in connection with its sale, the amount received by the Institution upon such sale; and

(3) the Facility Realty as shall remain subject to the Mortgage shall not constitute a portion of a tax lot.

(d) No conveyance or release effected under the provisions of this Section 8.10 shall entitle the Institution to any abatement or diminution of the loan payments or other amounts payable under Section 4.3 or any other payments required to be made by the Institution under this Agreement or any other Project Document to which it shall be a party.

Section 8.11 Discharge of Liens

.

(a) If any lien, encumbrance or charge is filed or asserted (including any lien for the performance of any labor or services or the furnishing of materials), or any judgment, decree, order, levy or process of any court or governmental body is entered, made or issued or any claim (such liens, encumbrances, charges, judgments, decrees, orders, levies, processes and claims being herein collectively called "**Liens**"), whether or not valid, is made against the Trust Estate, the Facility or any part thereof or the interest therein of the Institution or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents, or the interest of the Issuer or the Institution in any Security Document, other than Liens for Impositions not yet payable, Permitted Encumbrances, or Liens being contested as permitted by Section 8.11(b), the Institution forthwith upon receipt of notice of the filing, assertion, entry or issuance of such Lien (regardless of the source of such notice) shall give written notice thereof to the Issuer and the Trustee and take all action (including the payment of money and/or the securing of a bond with respect to any such Lien) at its own cost and expense as may be necessary or appropriate to obtain the discharge in full of such Lien and to remove or nullify the basis therefor. Nothing contained in this Agreement shall be construed as constituting the express or implied consent to or permission of the Issuer for the performance of any labor or services or the furnishing of any materials that would give rise to any Lien not permitted under this Section 8.11(a).

(b) The Institution may at its sole cost and expense contest (after prior written notice to the Issuer and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Lien, if:

(i) such proceeding shall suspend the execution or enforcement of such Lien against the Trust Estate, the Facility or any part thereof or interest therein, or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents or the interest of the Issuer or the Institution in any Project Document,

(ii) neither the Facility nor any part thereof or interest therein, the Trust Estate or any portion thereof, the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the Institution in any Security Document would be in any danger of being sold, forfeited or lost,

(iii) none of the Institution, the Issuer or the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and

(iv) the Institution shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents.

Section 8.12 Filing

.

(a) The security interest granted by the Issuer to the Trustee pursuant to the Indenture in the rights and other intangible interests described therein, shall be perfected by the filing of financing statements at the direction of the Issuer (at the sole cost and expense of the Institution) in the office of the Secretary of State of the State in the City of Albany, New York, and in the offices of such Register of the City, which financing statements shall be in accordance with Article 9 (Secured Transactions) of the New York State Uniform Commercial Code.

(b) As of the Closing Date,

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

(ii) Section 9-102(67) of the New York State Uniform Commercial Code defines a "public-finance transaction" as a secured transaction in connection with which (x) debt securities are issued, (y) all or a portion of the debt securities issued have an initial stated maturity of at least twenty (20) years, and (z) the debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a security interest is a state or a governmental unit of a state, and

(iii) subject to any future change in law, the initial financing statement as shall be filed with respect to the security interest described above shall therefore have an effective period of thirty (30) years after the date of filing, for the purpose of determining the date by which continuation statements shall be filed.

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

Subsequent to the initial filings, if it is necessary to re-file financing statements and/or file continuation statements and/or take any other actions to preserve the lien and security interest of the Indenture (individually or collectively, the "**Continuation Action(s)**"), then the Institution in a timely manner shall: (A) as applicable, (i) prepare and deliver to the Trustee all necessary instruments and filing papers, together with remittances equal to the cost of required filing fees and other charges, so that the Trustee may perform the Continuation Actions, or (ii) electronically perform the Continuation Actions and deliver to the Trustee written certification (upon which the Trustee may conclusively rely) that such performance has occurred, specifying the Continuation Actions performed, or (iii) perform some of the Continuation Actions in the manner described in clause "(i)" and the others in the manner described in clause "(ii)"; and (B) if

requested by the Trustee (acting at the direction of the Majority Holders) or the Issuer, deliver or cause to be delivered to the Issuer and the Trustee the Opinion of Counsel to the Institution as described below. The Trustee may conclusively rely upon (y) when applicable, the certification referred to in clause "(A)(ii)," and (z) in all instances, the Opinion of Counsel to the Institution. In the event the Institution chooses to have the Trustee perform all or some of the Continuation Actions, as provided in clause "(A)(i)", the Trustee shall reasonably promptly perform such Continuation Actions at the Institution's sole expense. The Institution shall perform the obligations described hereinabove in clauses "(A)" (in every case) and "(B)" (if so requested) no later than ten (10) days prior to (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) each fifth (5th) anniversary thereafter, and/or (ii) the date (not covered by clause "(i)") on which a Continuation Action is to be taken to preserve the lien and security interest of the Indenture.

If an Opinion of Counsel to the Institution is requested pursuant to clause "(B)", then the Opinion of Counsel to the Institution shall be addressed to the Institution, the Issuer and the Trustee. If so requested, the Institution shall deliver successive Opinions of Counsel in respect of (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) every five-year anniversary thereafter through the term of the Initial Bonds, and/or (ii) the date of any required Continuation Action not covered by clause "(i)," in each case not later than fifteen (15) days prior to the date on which a Continuation Action is required to be taken. In the Opinion of Counsel to the Institution, counsel shall opine as to: (i) what Continuation Actions are necessary; and (ii) the deadline dates for the required Continuation Actions; and (iii) the jurisdictions in which the Continuation Actions must be effected. Counsel in such opinion shall additionally opine that, upon performance of the Continuation Actions by, as the case may be, (i) the Trustee with instruments and papers prepared by the Institution, or (ii) the Institution through electronic filing, or (iii) the Trustee as to some Continuation Actions, and the Institution as to the others through electronic filings, all appropriate steps shall have been taken on the part of the Institution, the Issuer and the Trustee then requisite to the maintenance of the perfection of the security interest of the Trustee in and to all property and interests which by the terms of the Indenture are to be subjected to the lien and security interest of the Indenture.

(d) Any filings with respect to the Uniform Commercial Code financing statements may be made electronically, and the Issuer shall have the right to designate a company (which shall be reasonably acceptable to the Trustee) to facilitate the filing of the Uniform Commercial Code financing statements.

(e) The Institution acknowledges and agrees that neither the Issuer nor the Trustee, nor any of their respective directors, members, officers, employees, servants, agents, persons under its control or supervision, or attorneys (including Bond Counsel to the Issuer), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(f) The Institution agrees to perform all other acts (including the payment of all fees and expenses) necessary in order to enable the Issuer and the Trustee to comply with this

Section and with Section 7.07 of the Indenture, including but not limited to, providing prompt notice to the Trustee of any change in either of the name or address of the Institution. The Institution agrees that the Issuer and the Trustee, if permitted by applicable law, may provide for the re-recording of the Indenture or any other Security Document or the filing or re-filing of continuation statements without the cooperation of the Institution as necessary at the sole cost and expense of the Institution.

Section 8.13 No Further Encumbrances Permitted

. The Institution shall not create, permit or suffer to exist any mortgage, encumbrance, lien, security interest, claim or charge against (i) the Facility or any part thereof, or the interest of the Institution in the Facility, except for Permitted Encumbrances, or (ii) the Trust Estate or any portion thereof, the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Security Documents or the interest of the Issuer or the Institution in any Security Document. The Institution covenants that it shall take or cause to be taken all action, including all filing and recording, as may be necessary to ensure that there are no mortgage liens on, or security interests in, the Facility (other than Permitted Encumbrances) prior to the mortgage liens thereon, and security interests therein, granted by the Mortgage.

Section 8.14 Documents Automatically Deliverable to the Issuer

.

(a) The Institution shall immediately notify the Issuer of the occurrence of any Event of Default, or any event that with notice and/or lapse of time would constitute an Event of Default under any Project Document. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice.

(b) The Institution shall promptly provide written notice to the Issuer if any Conduct Representation made by the Institution would, if made on any date during the term of the Agreement and deemed made as of such date, be false, misleading or incorrect in any material respect.

(c) Within five (5) Business Days after receipt from the Issuer of any subtenant survey and questionnaire pertaining to the Facility, the Institution shall complete and execute such survey and questionnaire and return the same to the Issuer.

(d) The Institution shall deliver all insurance-related documents required by Sections 8.1(f) and 8.1(g).

(e) Within 120 days after the close of each Fiscal Year during which action was taken by the Institution pursuant to Section 3.4, the Institution shall deliver written notice of the Additional Improvement(s) to the Issuer.

(f) If a removal involving Existing Facility Property having a value in the aggregate exceeding $25,000 was taken by the Institution pursuant to Section 3.5(a), the Institution

shall deliver written notice of such removal to the Issuer within five (5) Business Days following such removal.

(g) Reserved.

(h) If the Institution shall request the consent of the Issuer under Section 8.9 to any sublease in whole or in part of the Facility, or to any assignment or transfer of this Agreement, the Institution shall submit such request to the Issuer in the form prescribed by the Issuer.

Section 8.15 Requested Documents

. Upon request of the Issuer, the Institution shall deliver or cause to be delivered to the Issuer within five (5) Business Days of the date so requested:

(a) a copy of the most recent annual audited financial statements of the Institution and of its subsidiaries, if any (including balance sheets as of the end of the Fiscal Year and the related statement of revenues, expenses and changes in fund balances and, if applicable, income, earnings, and changes in financial position) for such Fiscal Year, prepared in accordance with GAAP and certified by an Independent Accountant;

(b) a certificate of an Authorized Representative of the Institution that the insurance the Institution maintains complies with the provisions of Section 8.1, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Issuer and are in full force and effect and the evidence required by Section 8.1(f);

(c) copies of any (x) bills, invoices or other evidences of cost as shall have been incurred in connection with the Project, and (y) permits, authorizations and licenses from appropriate authorities relative to the occupancy, operation and use of the Facility;

(d) a certificate of an Authorized Representative of the Institution certifying either (x) the Institution did not take any action described in Section 3.4 resulting in Additional Improvements to the Facility Realty during the preceding Fiscal Year or (y) the Institution did take action or actions described in Section 3.4 resulting in Additional Improvements to the Facility Realty during the preceding Fiscal Year and the Institution complied with the provisions of Section 3.4;

(e) a certificate of an Authorized Representative of the Institution certifying either (x) the Institution did not take any action described in Section 3.5(a) resulting in the removal of Existing Facility Property having a value in the aggregate exceeding $25,000 during the preceding Fiscal Year or (y) the Institution did take action or actions described in Section 3.5(a) resulting in the removal of Existing Facility Property having a value in the aggregate exceeding $25,000 during the preceding Fiscal Year and the Institution complied with the provisions of Section 3.5(a);

(f) a certificate of an Authorized Representative of the Institution as to whether or not, as of the close of the immediately preceding Fiscal Year, and at all times during such Fiscal Year, the Institution was in compliance with all the provisions that relate to the Institution in this

Agreement and in any other Project Document to which it shall be a party, and if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default hereunder, and any action proposed to be taken by the Institution with respect thereto;

(g) upon twenty (20) days prior request by the Issuer, a certificate of an Authorized Representative of the Institution either stating that to the knowledge of such Authorized Representative after due inquiry there is no default under or breach of any of the terms hereof that exists or, with the passage of time or the giving of notice or both, would constitute an Event of Default hereunder, or specifying each such default or breach of which such Authorized Representative has knowledge;

(h) employment information requested by the Issuer pursuant to Section 8.7(b); and

(i) information regarding non-discrimination requested by the Issuer pursuant to Section 8.8.

Section 8.16 Periodic Reporting Information for the Issuer

.

(a) The Institution shall not assert as a defense to any failure of the Institution to deliver to the Issuer any reports specified in this Section 8.16 that the Institution shall not have timely received any of the forms from or on behalf of the Issuer unless, (x) the Institution shall have requested in writing such form from the Issuer not more than thirty (30) days nor less than fifteen (15) days prior to the date due, and (y) the Institution shall not have received such form from the Issuer at least one (1) Business Day prior to the due date. For purposes of this Section 8.16, the Institution shall be deemed to have "received" any such form if it shall have been directed by the Issuer to a website at which such form shall be available. In the event the Issuer, in its sole discretion, elects to replace one or more of the reports required by this Agreement with an electronic or digital reporting system, the Institution shall make its reports pursuant to such system.

(b) Annually, by August 1 of each year, commencing on the August 1 immediately following the Closing Date, until the termination of this Agreement, the Institution shall submit to the Issuer the Annual Employment and Benefits Report relating to the period commencing July 1 of the previous year and ending June 30 of the year of the obligation of the filing of such report, in the form prescribed by the Issuer, certified as to accuracy by an officer of the Institution. Upon termination of this Agreement, the Institution shall submit to the Issuer the Annual Employment and Benefits Report relating to the period commencing the date of the last such Report submitted to the Issuer and ending on the last payroll date of the preceding month in the form prescribed by the Issuer, certified as to accuracy by the Institution. Nothing herein shall be construed as requiring the Institution to maintain a minimum number of employees on its respective payroll.

(c) If there shall have been a tenant, other than the Institution, with respect to all or part of the Facility, at any time during the immediately preceding calendar year, the Institution shall file with the Issuer by the next following February 1, a certificate of an Authorized Representative of the Institution with respect to all tenancies in effect at the Facility, in the form prescribed by the Issuer.

(d) If there shall have been a subtenant, other than the Institution, with respect to all or part of the Facility, at any time during the twelve-month period terminating on the immediately preceding June 30, the Institution shall deliver to the Issuer by the next following August 1, a completed Subtenant's Employment and Benefits Report with respect to such twelve-month period, in the form prescribed by the Issuer.

(e) If the Institution shall have had the benefit of a Business Incentive Rate at any time during the twelve-month period terminating on the immediately preceding June 30, the Institution shall deliver to the Issuer by the next following August 1, a completed report required by the Issuer in connection with the Business Incentive Rate with respect to such twelve-month period, in the form prescribed by the Issuer.

(f) The Institution shall deliver to the Issuer on August 1 of each year, commencing on the August 1 immediately following the Closing Date, a completed location and contact information report in the form prescribed by the Issuer.

Section 8.17 Taxes, Assessments and Charges

.

(a) The Institution shall pay when the same shall become due all taxes and assessments, general and specific, if any, levied and assessed upon or against the Trust Estate, the Facility Realty or any part thereof, or interest of the Institution in the Facility, or against any of the loan payments or other payments or other amounts payable hereunder, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, and all water and sewer charges, special district charges, assessments and other governmental charges and impositions whatsoever, foreseen or unforeseen, ordinary or extraordinary, under any present or future law, and charges for public or private utilities or other charges incurred in the occupancy, use, operation, maintenance or upkeep of the Facility Realty, all of which are herein called "**Impositions**". The Institution may pay any Imposition in installments if so payable by law, whether or not interest accrues on the unpaid balance.

(b) In the event the Facility Realty is exempt from Impositions solely due to the Issuer's involvement with the Project and the Facility Realty, the Institution shall pay all Impositions to the appropriate taxing authorities equivalent to the Impositions that would have been imposed on the Facility Realty as if the Issuer had no involvement with the Project and the Facility Realty.

(c) The Institution may at its sole cost and expense contest (after prior written notice to the Issuer and the Trustee), by appropriate action conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition, if

(i) such proceeding shall suspend the execution or enforcement of such Imposition against the Trust Estate, the Facility or any part thereof, or interest of the Institution in the Facility, or against any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document,

(ii) none of the Trust Estate, the Facility nor any part thereof or interest of the Institution in the Facility, or any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, would be in any danger of being sold, forfeited or lost,

(iii) none of the Institution, the Issuer or the Trustee would be in any danger of any civil or any criminal liability, other than normal accrual of interest, for failure to comply therewith, and

(iv) the Institution shall have furnished such security, if any, as may be required in such proceedings or as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents.

Section 8.18 Compliance with Legal Requirements

.

(a) The Institution shall not occupy, use or operate the Facility, or allow the Facility or any part thereof to be occupied, used or operated, for any unlawful purpose or in violation of any certificate of occupancy affecting the Facility or for any use which may constitute a nuisance, public or private, or make void or voidable any insurance then in force with respect thereto.

(b) At its sole cost and expense, the Institution shall promptly observe and comply with all applicable Legal Requirements (including, without limitation, as applicable, the LW Law, the Prevailing Wage Law, and the Earned Sick Time Act, constituting Chapter 8 of Title 20 of the New York City Administrative Code), whether foreseen or unforeseen, ordinary or extraordinary, that shall now or at any time hereafter be binding upon or applicable to the Institution, the Facility, any occupant, user or operator of the Facility or any portion thereof, and will observe and comply with all conditions, requirements, and schedules necessary to preserve and extend all rights, licenses, permits (including zoning variances, special exception and non conforming uses), privileges, franchises and concessions. The Institution will not, without the prior written consent of the Issuer and the Trustee (which consents shall not be unreasonably withheld or delayed), initiate, join in or consent to any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses that may be made of the Facility or any part thereof.

(c) The Institution may at its sole cost and expense contest in good faith the validity, existence or applicability of any of the matters described in Section 8.18(b) if (i) such contest shall not result in the Trust Estate, the Facility or any part thereof or interest of the

Institution in the Facility, or any of the loan payments or other amounts payable under this Agreement, the Promissory Note or any of the other Project Documents, or the interest of the Issuer or the Institution in any Project Document, being in any danger of being sold, forfeited or lost, (ii) such contest shall not result in the Institution, the Issuer or the Trustee being in any danger of any civil or any criminal liability for failure to comply therewith, and (iii) the Institution shall have furnished such security, if any, as may be reasonably requested by the Issuer or the Trustee to protect the security intended to be offered by the Security Documents for failure to comply therewith.

Section 8.19 Operation as Approved Facility

.

(a) The Institution will not take any action, or suffer or permit any action, if such action would cause the Facility not to be the Approved Facility.

(b) The Institution will not fail to take any action, or suffer or permit the failure to take any action, if such failure would cause the Facility not to be the Approved Facility.

(c) The Institution will permit the Trustee and its 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 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 or dissolve or otherwise dispose of all or substantially all of its property, business or assets ("**Transfer**") remaining after the Closing Date, except as provided in Section 8.20(b),

(v) not consolidate with or merge into another Entity or permit one or more Entities to consolidate with or merge into it ("**Merge**"), except as provided in Section 8.20(b), and

(vi) not change or permit the change of any Principal of the Institution, or a change in the relative Control of the Institution of any of the existing Principals, except in each case as provided in Section 8.20(c).

(b) Notwithstanding Section 8.20(a), the Institution may Merge or participate in a Transfer if the following conditions are satisfied on or prior to the Merger or Transfer, as applicable:

(i) when the Institution is the surviving, resulting or transferee Entity,

(1) the Institution shall have a net worth (as determined by an Independent Accountant in accordance with GAAP) at least equal to that of the Institution immediately prior to such Merger or Transfer,

(2) the Institution shall continue to be a Tax-Exempt Organization,

(3) the Institution shall deliver to the Issuer 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 together with a Required Disclosure Statement in form and substance acceptable to the Issuer acting in its sole discretion.

Section 8.21 Preservation of Exempt Status

. The Institution agrees that it shall:

(a) not perform any acts, enter into any agreements, carry on or permit to be carried on at the Facility, or permit the Facility to be used in or for any trade or business, which shall adversely affect the basis for its exemption under Section 501 of the Code;

(b) not use more than three percent (3%) of the proceeds of the Bonds or permit the same to be used, directly or indirectly, in any trade or business that constitutes an unrelated

trade or business as defined in Section 513(a) of the Code or in any trade or business carried on by any Person or Persons who are not governmental units or Tax-Exempt Organizations;

(c) not directly or indirectly use the proceeds of the Bonds to make or finance loans to Persons other than governmental units or Tax-Exempt Organizations, provided that no loan shall be made to another Tax-Exempt Organization unless such organization is using the funds for a purpose that is not an unrelated trade or business for either the Institution or the borrower;

(d) not take any action or 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 Regulatory Agreement

.

(a) The Institution shall comply with all of the terms, provisions and conditions set forth in the Tax Regulatory Agreement, including, without limitation, the making of any payments and filings required thereunder.

(b) Promptly following receipt of notice from the Trustee as provided in Section 5.07 of the Indenture that the amount on deposit in the Rebate Fund is less than the Rebate Amount, the Institution shall deliver the amount necessary to make up such deficiency to the Trustee for deposit in the Rebate Fund.

(c) The Institution agrees to pay all costs of compliance with the Tax Regulatory Agreement and costs of the Issuer relating to any examination or audit of the Bonds by the Internal Revenue Service (including fees and disbursements of lawyers and other consultants).

Section 8.25 Compliance with the Indenture

. The Institution will comply with the provisions of the Indenture with respect to the Institution. The Trustee shall have the power, authority, rights and protections provided in the Indenture. The Institution will use its best efforts to cause there to be obtained for the Issuer any documents or opinions of counsel required of the Issuer under the Indenture.

Section 8.26 Reporting Information for the Trustee

.

(a) The Institution shall furnish or cause to be furnished to the Trustee:

(i) as soon as available and in any event within ninety (90) 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 ninety (90) days after the close of each quarter of each Fiscal Year, a copy of the unaudited financial statements of the Institution, including balance sheets as at the end of such quarter, and the related statements of income, balances, earnings, retained and changes in financial position for such quarter, prepared in accordance with GAAP, certified by an Authorized Representative of the Institution.

(b) The Institution shall deliver to the Trustee with each delivery of annual financial statements required by Section 8.26(a)(i):

(i) a certificate of an Authorized Representative of the Institution:

(1) as to whether or not, as of the close of such preceding Fiscal Year, and at all times during such Fiscal Year, the Institution was in compliance with all the provisions which relate to the Institution in this Agreement and in any other Project Document to which it shall be a party, and

(2) as to whether or not a Determination of Taxability has occurred, and

(3) if such Authorized Representative shall have obtained knowledge of any default in such compliance or notice of such default or Determination of Taxability, he shall disclose in such certificate such default or defaults or notice thereof and the nature thereof, whether or not the same shall constitute an Event of Default hereunder, and any action proposed to be taken by the Institution with respect thereto, and

(ii) a certificate of an Authorized Representative of the Institution that the insurance it maintains complies with the provisions of Section 8.1 of this Agreement and Section 3.11 of the Mortgage, that such insurance has been in full force and effect at all times during the preceding Fiscal Year, and that duplicate copies of all policies or certificates thereof have been filed with the Issuer and the Trustee and are in full force and effect.

(c) In addition, upon twenty (20) days prior request by the Trustee, the Institution will execute, acknowledge and deliver to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution either stating that to the knowledge of such Authorized Representative after due inquiry no default or breach exists hereunder or specifying each such default or breach of which such Authorized Representative has knowledge.

(d) The Institution shall immediately notify the Trustee of the occurrence of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Project Document. Any notice required to be given pursuant to this subsection shall be signed by an Authorized Representative of the Institution and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken, the Institution shall state this fact on the notice.

(e) The Institution shall deliver to the Trustee all insurance-related documents required by Sections 8.1(f)(i), 8.1(f)(ii), 8.1(f)(iii) and 8.1(g).

(f) The Trustee shall be under no obligation to review the financial statements received under this Section 8.26 for content and shall not be deemed to have knowledge of the contents thereof.

Section 8.27 Continuing Disclosure

. The Institution shall, if required by Securities and Exchange Commission Rule 15c2-12(b)(5), enter into and comply with and carry out all of the provisions of a continuing disclosure agreement. Notwithstanding any other provision of this Agreement, failure of the Institution to comply with such continuing disclosure agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of any participating underwriter or the Holders of at least twenty-five percent (25%) aggregate principal amount in Outstanding Bonds, shall, upon receipt of reasonable indemnification for its fees and costs acceptable to it), and any Holder or Beneficial Owner may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Institution to comply with its obligations under this Section 8.27. The Institution agrees that the Issuer shall have no continuing disclosure obligations.

Section 8.28 Special Covenants

.

(a) If the Organization provides education to any of grades "K" through 8, it must either be (i) registered with the New York State Department of Education, or (ii) evaluated by an independent professional (acceptable to the Issuer in its sole discretion) as providing an education equivalent to that provided by public schools in the State of New York.

(b) The Institution covenants that the Organization shall not discriminate in admissions, hiring, the granting of scholarships or loans, or the administration of educational policies generally.

Section 8.29 HireNYC Program

.

The Institution shall use its good faith efforts to achieve the hiring and workforce development goals of the HireNYC Program and shall perform the requirements of the HireNYC Program, all as set forth in Exhibit I. The Institution agrees to be bound by each of the provisions of the HireNYC Program set forth in Exhibit I, including without limitation, the payment of any liquidated damages and other enforcement provisions set forth therein.

Section 8.30 Living Wage

.

(a) Institution acknowledges and agrees that it has received "financial assistance" as defined in the LW Law. Institution agrees to comply with all applicable requirements of the LW Law. Institution acknowledges that the terms and conditions set forth in this Section 8.30 are intended to implement the Mayor's Executive Order No. 7 dated September 30, 2014.

(b) The following capitalized terms shall have the respective meanings specified below for purposes hereof.

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

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

Comptroller means the Comptroller of The City of New York or his or her designee.

Concessionaire means a Person that has been granted the right by Institution, an Affiliate of Institution or any tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution to operate at the Facility Realty for the primary purpose of selling goods or services to natural persons at the Facility Realty.

Covered Counterparty means a Covered Employer whose Specified Contract is directly with Institution or one of its Affiliates to lease, occupy, operate or perform work at the Facility Realty.

Covered Employer means any of the following Persons: (a) Institution, (b) a Site Affiliate, (c) a tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution that leases any portion of the Facility Realty (or an Affiliate of any such tenant, subtenant, leaseholder or subleaseholder if such Affiliate has one or more direct Site Employees), (d) a Concessionaire that operates on any portion of the Facility Realty, and (e) a Person that contracts or subcontracts with any Covered Employer described in clauses (a), (b), (c) or (d) above to perform work for a period of more than ninety days on any portion of the Facility Realty, including temporary services or staffing agencies, food service contractors, and other on-site service contractors; provided, however, that the term "Covered Employer" shall not include (i) a Person of the type described in Section 6-134(d)(2), (3), (4) or (5) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Facility Realty if residential units comprise more than 75% of the total Facility Realty area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, (vi) if Institution is a "covered developer" under and as defined in the Prevailing Wage Law, a Person that is a "building services contractor" (as defined in the LW Law) so long as such Person is paying its "building service employees" (as defined in the Prevailing Wage Law) no less than the applicable "prevailing wage" (as defined in the Prevailing Wage Law), or (vii) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

DCA means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

LW has the same meaning as the term "living wage" as defined in Section 6-134 of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour

($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

LW Agreement means, with respect to any Covered Counterparty, an enforceable agreement in the form attached hereto as Exhibit J (except only with such changes as are necessary to make such Covered Counterparty the obligor thereunder).

LW Agreement Delivery Date means, with respect to any Covered Counterparty, the latest of (a) the effective date of such Covered Counterparty's Specified Contract, (b) the date that such Covered Counterparty becomes a Covered Employer at the Facility Realty and (c) the Closing Date.

LW Event of Default means the satisfaction of the following two conditions: (a) two or more LW Violation Final Determinations shall have been imposed against Institution or its Site Affiliates in respect of the direct Site Employees of Institution or its Site Affiliates in any consecutive six year period during the LW Term and (b) the aggregate amount of Owed Monies and Owed Interest paid or payable by Institution in respect of such LW Violation Final Determinations is in excess of the LW Violation Threshold in effect as of the date of the second LW Violation Final Determination. For the avoidance of doubt, the Owed Monies and Owed Interest paid or payable by Institution in respect of the Site Employees of a Covered Counterparty that is not an Affiliate of Institution (pursuant to Section 8.30(k)(v)) shall not count for purposes of determining whether the conditions in clauses (a) and (b) of the preceding sentence have been satisfied.

LW Law means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

LW Term means the period commencing on the Closing Date and ending on the later to occur of (a) the date on which Institution is no longer receiving financial assistance under this Agreement or (b) the date that is ten years after the Facility commences operations.

LW Violation Final Determination has the meaning specified in Section 8.30(k)(i)(1), Section 8.30(k)(i)(2)(A) or Section 8.30(k)(i)(2)(B), as applicable.

LW Violation Initial Determination has the meaning specified in Section 8.30(k)(i)(2).

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

LW Violation Threshold means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

Owed Interest means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

Owed Monies means, as the context shall require, either (a) the total deficiency of LW required to be paid by Institution or a Site Affiliate in accordance with this Section 8.30 to Institution's or its Site Affiliate's (as applicable) direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis; or (b) if Institution or its Site Affiliate failed to obtain a LW Agreement from a Covered Counterparty as required under Section 8.30(f) below, the total deficiency of LW that would have been required to be paid under such Covered Counterparty's LW Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis, during the period commencing on the LW Agreement Delivery Date applicable to such Covered Counterparty and ending immediately prior to the execution and delivery by such Covered Counterparty of its LW Agreement (if applicable).

Prevailing Wage Law means Section 6-130 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

Qualified Workforce Program means a training or workforce development program that serves youth, disadvantaged populations or traditionally hard-to-employ populations and that has been determined to be a Qualified Workforce Program by the Director of the Mayor's Office of Workforce Development.

Site Affiliates means, collectively, all Affiliates of Institution that lease, occupy, operate or perform work at the Facility Realty and that have one or more direct Site Employees.

Site Employee means, with respect to any Covered Employer, any natural person who works at the Facility Realty and who is employed by, or contracted or subcontracted to work for, such Covered Employer, including all employees, independent contractors, contingent workers or contracted workers (including persons made available to work through the services of a temporary services, staffing or employment agency or similar entity) that are performing work on a full-time, part-time, temporary or seasonal basis; provided that the term "Site Employee" shall not include any natural person who works less than seventeen and a half (17.5) hours in any consecutive seven day period at the Facility Realty unless the primary work location or home base of such person is at the Facility Realty (for the avoidance of doubt, a natural person who works at least seventeen and a half (17.5) hours in any consecutive seven day period at the Facility Realty shall thereafter constitute a Site Employee).

Small Business Cap means three million dollars; provided that, beginning in 2015 and each year thereafter, the Small Business Cap shall be adjusted contemporaneously with the adjustment to the "living wage rate" component of the LW using the methodology set forth in Section 6-134(b)(9) of the New York City Administrative Code.

Specified Contract means, with respect to any Person, the principal written contract that makes such Person a Covered Employer hereunder.

(c) During the LW Term, if and for so long as Institution is a Covered Employer, Institution shall pay each of its direct Site Employees no less than an LW. During the LW Term, Institution shall cause each of its Site Affiliates that is a Covered Employer to pay their respective Site Employees no less than an LW.

(d) During the LW Term, if and for so long as Institution is a Covered Employer (or if and so long as a Site Affiliate is a Covered Employer, as applicable), Institution shall (or shall cause the applicable Site Affiliate to, as applicable), on or prior to the day on which each direct Site Employee of Institution or of a Site Affiliate begins work at the Facility Realty, (i) post a written notice detailing the wages and benefits required to be paid to Site Employees under this Section 8.30 in a conspicuous place at the Facility Realty that is readily observable by such direct Site Employee and (ii) provide such direct Site Employee with a written notice detailing the wages and benefits required to be paid to Site Employees under this Section 8.30. Such written notice shall also provide a statement advising Site Employees that if they have been paid less than the LW they may notify the Comptroller and request an investigation. Such written notice shall be in English and Spanish.

(e) During the LW Term, if and for so long as Institution is a Covered Employer (or if and for so long as a Site Affiliate is a Covered Employer, as applicable), Institution shall not (or the applicable Site Affiliate shall not, as applicable) take any adverse employment action against any Site Employee for reporting or asserting a violation of this Section 8.30.

(f) During the LW Term, regardless of whether Institution is a Covered Employer, Institution shall cause each Covered Counterparty to execute an LW Agreement on or

prior to the LW Agreement Delivery Date applicable to such Covered Counterparty. Institution shall deliver a copy of each Covered Counterparty's LW Agreement to the Issuer, the DCA and the Comptroller at the notice address specified in Section 12.5 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 Affiiliate, 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 Lease Covenants.

(a) The Institution hereby covenants and agrees that:

(i) for so long as Bonds shall remain Outstanding and throughout the term of this Agreement, each Prime Lease and each Sublease Agreement shall remain in full force and effect, and the Institution shall not take any action, nor fail to take any action, which would cause any Prime Lease or any Sublease Agreement to terminate or expire without receiving an opinion of Bond Counsel to the effect that the proposed termination or expiration of the Prime Lease and/or the Sublease Agreement will not cause the interest on the Series 2021A Bonds to become includable in gross income of the Holders thereof for federal income tax purposes;

(ii) The Institution will make, comply and observe all payments, obligations, covenants and agreements on its respective part under each Prime Lease and each Sublease Agreement;

(iii) The Institution will promptly pay or cause to be paid all rents, additional rents and other charges (as and when the same become due for the payment of such sums), and diligently perform and observe all terms, covenants and conditions, in each case, required to be paid and performed by the Institution as tenant under the Prime Lease and as sublandlord under the Sublease Agreement, within the periods provided in the Prime Lease and the Sublease Agreement, and will do all things necessary to preserve and keep unimpaired the rights of the Organization under the Sublease Agreement;

(iv) The Institution will not waive any of its rights under the Prime Lease and/or the Sublease Agreement, nor refrain from exercising any right or remedy accorded

to it under the Prime Lease and/or the Sublease Agreement on account of any default by the property owner (under the Prime Lease) or the Organization as sublesee under the Sublease Agreement, or release the property owner (under the Prime Lease) or the Organization as sublesee under the Sublease Agreement from any liability or condone or excuse any improper actions of the property owner (under the Prime Lease) or the Organization under the Sublease Agreement or failures to act, without first obtaining the prior written consent of the Issuer and the Master Trustee;

(v) The Institution shall not surrender the leasehold estate created by any Prime Lease, whether in whole or in part, nor terminate or cancel the Prime Lease, and any such surrender of the leasehold estate created by the Prime Lease or termination or cancellation of the Prime Lease, without the prior written consent of the Master Trustee and the Issuer, shall be void and of no force and effect;

(vi) The Institution shall not surrender the subleasehold estate created by any Sublease Agreement, whether in whole or in part, nor terminate or cancel the Sublease Agreement, and any such surrender of the subleasehold estate created by the Sublease Agreement or termination or cancellation of the Sublease Agreement, without the prior written consent of the Master Trustee and the Issuer, shall be void and of no force and effect;

(vii) The Institution shall promptly deliver written notice to the Issuer and the Trustee of the occurrence or continued existence of a default by the Organization under the Sublease Agreement, together with copies of any default notice that it shall receive or deliver thereunder;

(viii) The Institution shall not enter into any amendment, modification or supplement to any Prime Lease and/or any Sublease Agreement (a "**Proposed Lease Amendment**") unless, the Institution shall deliver to the Issuer and the Trustee (v) if the amendment, modification or supplement would affect the amount or timing of the payment of rentals by the Institution under the Prime Lease or the Organization under the Sublease Agreement, evidence from each Rating Agency by which any Series of Outstanding Bonds are then rated, if any, to the effect that the Proposed Lease Amendment 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, (w) a certificate of an Authorized Representative of the Institution or the Organization (as applicable) to the effect that the Proposed Lease Amendment will not have an adverse effect, or otherwise impair, the security for the Bonds, nor adversely affect the operation of the Facility by the Organization as a public charter school for the Approved Project Operations, (x) a substantially final draft of the Proposed Lease Amendment at least fourteen (14) days prior to the execution thereof, (y) an Opinion of Counsel to the Institution and the Organization to the effect that, upon the execution and delivery thereof by the Institution and the Organization, the Proposed Lease Amendment shall constitute the legal, valid and binding enforceable obligations of the Institution and the Organization and (z) an opinion of Bond Counsel to the effect that the Proposed Lease Amendment will not cause the interest on the Series 2021A Bonds to become includable in gross income of the Holders thereof for federal income tax purposes;

(ix) The Institution covenants that pursuant to the Master Covenant Agreement, the Organization has been directed to submit all payments under the Sublease Agreements for direct deposit to the account held by the Master Trustee pursuant to the Master Trust Indenture commencing immediately after the Closing Date. The Institution covenants and agrees that such provisions of the Master Covenant Agreement shall remain in full force and effect at all times to ensure that all payments under each Sublease Agreement are submitted by direct deposit to the account held by the Master Trustee pursuant to the Master Trust Indenture for so long as any of the Bonds remain outstanding or unsatisfied, and that such standing instructions to the Organization shall remain irrevocable so long as any of the obligations of the Institution under this Agreement remain outstanding or unsatisfied.

(b) The Institution shall not claim any conflict or inconsistency with the Prime Lease and/or the Sublease Agreement as a defense to any obligation under this Agreement or any other Project Document to which it shall be a party.

ARTICLE IX

REMEDIES AND EVENTS OF DEFAULT

Section 9.1 Events of Default

. Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Institution to pay any loan payment that has become due and payable by the terms of Section 4.3(a) or (e) which results in an Event of Default under the Indenture;

(b) Failure of the Institution to pay any amount (except as set forth in Section 9.1(a)) that has become due and payable or to observe and perform any covenant, condition or agreement on its part to be performed under Sections 5.1, 8.1, 8.2, 8.3, 8.9, 8.11, 8.13, 8.17, 8.18, 8.20, 8.21, 8.22, 8.26, 8.31, 9.7, 11.2 or 11.3 or Article VI and continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Institution specifying the nature of such failure by the Issuer or the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding;

(c) Failure of the Institution to observe and perform any covenant, condition or agreement hereunder on its part to be performed (except as set forth in Section 9.1(a) or (b)) and (i) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Institution specifying the nature of same by the Issuer or the Trustee or the Holders of more than twenty-five percent (25%) in aggregate principal amount of the Bonds Outstanding, or (ii) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Institution fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within sixty (60) days of delivery of said notice;

(d) The Institution shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner or acquiesce in writing to, any petition filed against itself in an involuntary case under the Federal Bankruptcy Code, (vii) take any action for the purpose of effecting any of the foregoing, or (viii) be adjudicated a bankrupt or insolvent by any court;

(e) A proceeding or case shall be commenced, without the application or consent of the Institution, in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Institution or of all or any substantial part of its assets, or (iii) similar relief under any law relating to bankruptcy, insolvency,

reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) days; or any order for relief against the Institution shall be entered in an involuntary case under such Bankruptcy Code; the terms "dissolution" or "liquidation" of the Institution as used above shall not be construed to prohibit any action otherwise permitted by Section 8.20;

(f) Any representation or warranty made by the Institution (i) in the application and related materials submitted to the Issuer or the initial purchaser(s) of the Bonds for approval of the Project or its financing, or (ii) herein or in any other Project Document, or (iii) in the Letter of Representation and Indemnity Agreement dated the Closing Date and delivered to the Issuer, the Trustee and the initial purchaser(s) of the Initial Bonds, or (iv) in the Tax Regulatory Agreement, or (v) by or on behalf of the Institution or any other Person in any Required Disclosure Statement, or (vi) in any report, certificate, financial statement or other instrument furnished pursuant hereto or any of the foregoing, shall in any case prove to be false, misleading or incorrect in any material respect as of the date made;

(g) The commencement of proceedings to appoint a receiver or to foreclose any mortgage lien on or security interest in the Facility including the Mortgage;

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

(i) The occurrence of an LW Event of Default.

(j) Failure of the Institution to pay the amount required of it under Section 4.3(a)(vi) when required thereunder.

(k) Revocation, loss or nonrenewal of the Charter of the Organization.

Section 9.2 <u>Remedies on Default</u>

. (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(d) or (e), all principal installments of loan payments payable under Section 4.3(a) until the Bonds are no longer Outstanding, together with the accrued interest thereon, shall immediately become due and payable without any declaration, notice or other action of the Issuer, the Trustee, the Holders of the Bonds or any other Person being a condition to such acceleration;

(ii) The Issuer or the Trustee may take whatever action at law or in equity as may appear necessary or desirable to collect the loan payments then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements or covenants of the Institution under this Agreement; and

(iii) The Trustee may take any action permitted under the 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 and/or the Trustee and the Institution or any delay or omission on the part of the Issuer and/or the Trustee in exercising any rights hereunder or under the Indenture or under any other Security Document shall operate as a waiver. To the extent permitted by applicable law, the Institution hereby waives the benefit and advantage of, and covenants not to assert against the Issuer or the Trustee, any valuation, inquisition, stay, appraisement, extension or redemption laws now existing or which may hereafter exist.

Section 9.6 Effect on Discontinuance of Proceedings

. In case any proceeding taken by the Issuer or the Trustee under the Indenture or this Agreement or under any other Security Document on account of any Event of Default hereunder or thereunder shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer or the Trustee, then, and in every such case, the Issuer, the Trustee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder and thereunder, and all rights, remedies, powers and duties of the Issuer and the Trustee shall continue as in effect prior to the commencement of such proceedings.

Section 9.7 Agreement to Pay Fees and Expenses of Attorneys and Other Consultants

. In the event the Institution should default under any of the provisions of this Agreement, and the Issuer or the Trustee should employ outside attorneys or other consultants or incur other expenses for the collection of loan payments or other amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Institution herein contained or contained in any other Security Document, the Institution agrees that it will on demand therefor pay to the Issuer or the Trustee, as the case may be, the reasonable fees and disbursements of such attorneys or other consultants and such other expenses so incurred.

Section 9.8 Certain Continuing Representations

. If at any time during the term of this Agreement, any Conduct Representation made by the Institution would, if made on any date while Bonds are Outstanding and deemed made as of such date, be false, misleading or incorrect in any material respect, then, the Institution shall be deemed to be in default under this Agreement unless the Issuer shall, upon written request by the Institution, either waive such default in writing or consent in writing to an exception to such representation or warranty so that such representation or warranty shall no longer be false, misleading or incorrect in a material respect. Upon the occurrence of any such default, the Issuer shall have the right to require the redemption of the Bonds in accordance with Section 11.3(a).

Section 9.9 Late Delivery Fees

.

(a) In the event the Institution shall fail:

(i) to pay the Annual Administrative Fee on the date required under Section 8.3,

(ii) to file and/or deliver any of the documents required of the Institution under Section 8.14 or Section 8.16 by the date therein stated (collectively, the "**Fixed Date Deliverables**"), or

(iii) to deliver to the Issuer any of the documents as shall have been requested by the Issuer of the Institution under Section 8.15 within five (5) Business Days of the date so requested (collectively, the "**Requested Document Deliverables**"),

then the Issuer may charge the Institution on a daily calendar basis commencing with the day immediately following the date on which the payment, filing or delivery was due (the "**Due Date**"), the Per Diem Late Fee.

(b) If the Issuer shall deliver written notice (a "**Notification of Failure to Deliver**") to the Institution of such failure to deliver on the Due Date the Annual Administrative Fee, a Fixed Date Deliverable and/or a Requested Document Deliverable, and such payment or document shall not be delivered to the Issuer within ten (10) Business Days following delivery by the Issuer to the Institution of the Notification of Failure to Deliver, then, commencing from and including the eleventh (11^{th}) Business Day following the delivery by the Issuer to the Institution of the Notification of Failure to Deliver, the Issuer may charge the Institution on a daily calendar basis the Per Diem Supplemental Late Fee in respect of each noticed failure which shall be in addition to, and be imposed concurrently with, the applicable Per Diem Late Fee.

(c) The Per Diem Late Fee and the Per Diem Supplemental Late Fee shall each, if charged by the Issuer, (i) accrue until the Institution delivers to the Issuer the Annual Administrative Fee, the Fixed Date Deliverable(s) and/or the Requested Document Deliverable(s), as the case may be, and (ii) be incurred on a daily basis for each such Annual Administrative Fee, Fixed Date Deliverable and/or Requested Document Deliverable as shall not have been delivered to the Issuer on the Due Date.

(d) No default on the part of the Institution under Section 8.3, 8.14, 8.15 or 8.16 of this Agreement to deliver to the Issuer an Annual Administrative Fee, a Fixed Date Deliverable or a Requested Document Deliverable shall be deemed cured unless the Institution shall have delivered same to the Issuer and paid to the Issuer all accrued and unpaid Per Diem Fees in connection with the default.

Section 9.10 Issuer Approval of Certain Nonforeclosure Remedies

. Notwithstanding any provision hereof or of under any other Security Document, upon the occurrence of an Event of Default, no such remedy or other action (whether exercised by the Trustee, the Majority Holders or the Holders of the Bonds) shall have the effect of (x) continuing the exemption from the mortgage recording tax of the Mortgage upon any restructuring of the underlying indebtedness secured by the Mortgage (a "**Mortgage Restructuring**"), (y) amending or terminating any Security Document (other than through a forbearance) to which the Issuer is a party (a "**Security Document Action**") or (z) substituting for the Institution and/or the Organization, a new Entity to either be a counterparty to the Issuer under this Agreement or as a user or lessee all or a portion of the Facility (a "**Substitute Entity**"), unless, in either case, a reasonable description of such Mortgage Restructuring, Security Document Action and/or Substitute Entity shall have been set forth in a writing delivered to the Issuer together with a request for approval and (i) the Mortgage Restructuring, Security Document Action and/or 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 Bonds to become subject to federal income taxation by reason of either such Mortgage Restructuring, Security Document Action and/or Substitute Entity. For the avoidance of doubt, no Issuer consent is required hereby for the entry into a forbearance agreement by the Trustee, the commencement of a foreclosure action under the Mortgage or the appointment of a receiver over the Institution or the Organization or any collateral for the Bonds. 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 no later than fourteen (14) Business Days after the occurrence of the earlier of: (A) the Trustee's receipt of direction to effectuate such retirement or cancellation, and (B) the Trustee's receipt of surrendered Bonds for cancellation.

ARTICLE X

TERMINATION OF THIS AGREEMENT

Section 10.1 Termination of this Agreement

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(a) The Institution shall have the option to cause the redemption or defeasance in whole of all Outstanding Bonds in accordance with the terms set forth in the Indenture.

(b) After full payment of the Bonds or provision for the payment in full thereof having been made in accordance with Article X of the Indenture, but not later than the receipt by the Institution of ten (10) days prior written notice from the Issuer directing termination of this Agreement, the Institution shall terminate this Agreement by giving the Issuer notice in writing of such termination and thereupon such termination shall forthwith become effective, subject, however, to (x) the delivery of those documents referred to in Section 10.2, and (y) the survival of those obligations of the Institution set forth in Section 10.3.

Section 10.2 Actions on Termination

. As a condition precedent to the termination of this Agreement, the Institution shall:

(i) pay to the Trustee

(A) the expenses of redemption, the fees and expenses of the Trustee, the Bond Registrar and the Paying Agents and all other amounts due and payable under this Agreement and the other Security Documents, and

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

(ii) pay to the Issuer

(A) the fees and expenses of the Issuer, and

(B) all other amounts due and payable under this Agreement and the other Security Documents,

(iii) perform all accrued obligations hereunder or under any other Project Document,

(iv) deliver or cause to be delivered to the Issuer with respect to any mortgage exempt from the payment of mortgage recording tax by reason of the Issuer being a party thereto, an executed satisfaction of such mortgage in recordable form, executed by the mortgagee, and

(v) effect at its own cost and expense the proper recording and filing of all instruments terminating, satisfying and discharging the Security Documents.

(b) Upon the termination of this Agreement in accordance with Section 10.1, the Issuer will deliver or cause to be delivered, at the sole cost and expense of the Institution, to the Institution (i) a termination of this Agreement, and (ii) all necessary documents releasing all of the Issuer's rights and interests in and to any rights of action under this Agreement (other than as against the Institution or any insurer of the insurance policies under Section 8.1), or any insurance proceeds (other than liability insurance proceeds for the benefit of the Issuer) or condemnation awards, with respect to the Facility or any portion thereof. Concurrently with the delivery of such instruments, there shall be delivered by the Issuer (at the sole cost and expense of the Institution) to the Trustee any instructions or other instruments required by Article X of the Indenture to defease and pay the Outstanding Bonds, together with a direction to the Trustee that the Trustee deliver to the Issuer and the Institution a release, satisfaction or termination of the Indenture and of the mortgage lien and security interest of the Mortgage on the Mortgaged Property.

Section 10.3 Survival of Institution Obligations

. Upon compliance with Section 10.2, this Agreement and all obligations of the Institution hereunder shall be terminated except the obligations of the Institution under Sections 5.1, 8.2, 8.24, 8.30, 9.2, 9.3, 9.7, 9.9, 11.6, 12.4, 12.5, 12.6, 12.11, 12.13 and 12.14 shall survive such termination.

ARTICLE XI

CERTAIN PROVISIONS RELATING TO THE BONDS

Section 11.1 Issuance of Additional Bonds

. If a Series of Additional Bonds are to be issued pursuant to the Indenture, the Issuer and the Institution shall enter into an amendment to this Agreement, and the Institution shall execute and deliver a new Promissory Note, in each case providing, among other things, for the payment by the Institution of such additional loan payments as are necessary in order to amortize in full the principal of and interest on such Series of Additional Bonds and any other costs in connection therewith.

Any such completion, repair, relocation, replacement, rebuilding, restoration, additions, extensions or improvements shall become a part of the Facility and shall be included under this Agreement to the same extent as if originally included hereunder.

Section 11.2 Determination of Taxability

. (a) If any Holder of 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 together with a copy of such resolution (a copy of which notice shall be sent to the Trustee), (ii) the Institution, any Principal of the Institution or any Person that directly or indirectly Controls, is Controlled by or is under common Control with the Institution has committed a material violation of a material Legal Requirement and the failure of the Institution within thirty (30) days of the receipt by the Institution of written notice of such determination from the Issuer to cure such material violation (which cure, in the case of a Principal who shall have committed the material violation of a material Legal Requirement, may be effected by the removal of such Principal), (iii) as set forth in Section 9.8, any Conduct Representation is false, misleading or incorrect in any material respect at any date, as if made on such date, or (iv) a Required Disclosure Statement delivered to the Issuer under any Project Document is not acceptable to the Issuer acting in its sole discretion, the Institution covenants and agrees that it shall, no later than ten (10) days following the termination of such thirty (30) day period, pay to the Trustee advance loan payments in immediately available funds in an amount sufficient to redeem the Bonds Outstanding in whole at the Redemption Price of 100% of the aggregate principal amount of the Outstanding Bonds together with interest accrued thereon to the redemption date. The Issuer shall give prior written notice of the meeting at which the Board of Directors of the Issuer are to consider such resolution to the Institution and the Trustee, which notice shall be no less than fifteen (15) days prior to such meeting.

(b) In the event the Institution fails to obtain or maintain the liability insurance with respect to the Facility required under Section 8.1, and the Institution shall fail to cure such circumstance within ten (10) days of the receipt by the Institution of written notice of such noncompliance from the Issuer and a demand by the Issuer on the Institution to cure such noncompliance, upon notice or waiver of notice as provided in the Indenture, the Institution shall pay to the Trustee advance loan payments in immediately available funds in an amount sufficient to redeem the Bonds Outstanding in whole at the Redemption Price of one hundred percent (100%) of the unpaid principal amount of the Bonds, together with interest accrued thereon to the date of redemption.

Section 11.4 Mandatory Redemption As a Result of Project Gifts or Grants

. (a) If, prior to completion of the construction of a component of the Project, the Institution receives any gift or grant required by the terms thereof to be used to pay any item which is a cost of such component of the Project, the Institution shall apply such gift or grant to completion of the construction of such component of the Project. In the event that the amount of such gift or grant is in excess of the amount necessary to complete such component of the Project, and if proceeds of the Bonds (i) have been expended on such component of the Project more than eighteen (18) months prior to the receipt of such gift or grant, or (ii) (A) have been expended on such component of the Project not more than eighteen (18) months prior to the receipt of such gift or grant and (B) the aggregate amount of Project Costs not otherwise provided for is less than the amount of Bond proceeds expended on such component of the Project, 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.

Section 11.5 Right to Cure Issuer Defaults

. The Issuer hereby grants the Institution full authority for account of the Issuer to perform any covenant or obligation the non-performance of which is alleged to constitute a default in any notice received by the Institution, in the name and stead of the Issuer, with full power of substitution.

Section 11.6 Prohibition on the Purchase of Bonds

. Except as provided in this Section, neither the Institution nor any Related Person (as defined in the Tax Regulatory Agreement) 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 pursuant to this Section 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 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 Regulatory Agreement). Neither the Issuer nor the Trustee nor any of their members, directors, officers, agents, servants or employees shall be liable for any depreciation in the value of any such investments or for any loss arising therefrom.

Interest and profit derived from such investments shall be credited and applied as provided in the Indenture, and any loss resulting from such investments shall be similarly charged.

ARTICLE XII

MISCELLANEOUS

Section 12.1 Force Majeure

. In case by reason of *force majeure* either party hereto shall be rendered unable wholly or in part to carry out its obligations under this Agreement, then except as otherwise expressly provided in this Agreement, if such party shall give notice and full particulars of such *force majeure* in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligations of the party giving such notice (other than (i) the obligations of the Institution to make the loan payments or other payments required under the terms hereof, or (ii) the obligations of the Institution to comply with Section 5.3, 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 Assignment of Mortgage and Pledge under Indenture

. Pursuant to (i) the Mortgage, the Institution will mortgage its leasehold interest in the Mortgaged Property to the Issuer and the Trustee as security for the Bonds and the obligations of the Institution under the Security Documents, (ii) the Assignment of Mortgage, the Issuer will assign all of its right, title and interest in the Mortgage to the Trustee, and (iii) the Indenture, the Issuer will pledge and assign the Promissory Note and the loan payments and certain other moneys receivable under this Agreement to the Trustee as security for payment of the principal or Redemption Price, if applicable, of, Sinking Fund Installments for, and interest on the Bonds. The Institution hereby

consents to the Issuer's pledge and assignment to the Trustee of all its right, title and interest in the Mortgage, the Promissory Note and this Agreement (except for the Issuer's Reserved Rights).

Section 12.3 Amendments

. This Agreement may be amended only with the concurring written consent of the Trustee given in accordance with the provisions of the Indenture and only by a written instrument executed by the parties hereto.

Section 12.4 Service of Process

. The Institution represents that it is subject to service of process in the State and covenants that it will remain so subject until all obligations, covenants and agreements of the Institution under this Agreement shall be satisfied and met. If for any reason the Institution should cease to be so subject to service of process in the State, the Institution hereby irrevocably consents to the service of all process, pleadings, notices or other papers in any judicial proceeding or action by designating and appointing the Chief Financial Officer of the Institution at 441 East 148th Street, Bronx, New York 10455, 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 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:

(A) if to the Issuer, to

Build NYC Resource Corporation
1 Liberty Plaza
New York, New York 10006
Attention: General Counsel

with a copy to

Build NYC Resource Corporation
1 Liberty Plaza
New York, New York 10006
Attention: Executive Director

(B) if to the Institution, to

Seton Education Partners
441 East 148th Street
Bronx, New York 10455
Attention: Chief Financial Officer

with a copy to

Hunton Andrews Kurth LLP
600 Travis Street
Houston, TX 77002
Attention: Thomas A. Sage, Esq., and

(C) if to the Trustee, to

The Bank of New York Mellon
240 Greenwich Street, Floor 7E
New York, New York 10286
Attention: Corporate Trust Administration

(D) 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

(E) 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 DCA and the Comptroller may, by like notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given (i) three (3) Business Days following posting if transmitted by mail, (ii) one (1) Business Day following sending if transmitted for overnight delivery by a nationally recognized overnight delivery service, or (iii) upon delivery if given by hand delivery, with refusal by an Authorized Representative of the intended recipient party to accept delivery of a notice given as prescribed above to constitute delivery hereunder.

Section 12.6 Consent to Jurisdiction

. The Institution irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of this Agreement or any other Project Document, the Facility, the Project, the relationship between the Issuer and the Institution, the Institution's ownership, use or occupancy of the Facility and/or any claim for injury or damages may be brought in the courts of record of the State in New York County or the United States District Court for the Southern District of New York; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; (iii) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (iv) waives and relinquishes any rights it might otherwise have (A) to move to dismiss on grounds of *forum non conveniens*, (B) to remove to any federal court other than the United States District Court for the Southern District of New York, and (C) to move for a change of venue to a New York State Court outside New York County.

If the Institution commences any action against the Issuer or the Trustee in a court located other than the courts of record of the State in New York County or the United States District Court for the Southern District of New York, the Institution shall, upon request from the Issuer or the Trustee, either consent to a transfer of the action or proceeding to a court of record of the State in New York County or the United States District Court for the Southern District of New York, or, if the court where the action or proceeding is initially brought will not or cannot transfer the action, the Institution shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of record of the State in New York County or the United States District Court for the Southern District of New York.

Section 12.7 Prior Agreements Superseded

. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Issuer and the Institution relating to the Facility, other than any other Project Document.

Section 12.8 Severability

. If any one or more of the provisions of this Agreement shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 12.9 Effective Date; Counterparts

. The date of this Agreement shall be for reference purposes only and shall not be construed to imply that this Agreement was executed on the date first above written. This Agreement was delivered on the Closing Date. This Agreement shall become effective upon its delivery on the Closing Date. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.10 Binding Effect

. This Agreement shall inure to the benefit of the Issuer, the Trustee, the Bond Registrar, the Paying Agents, the Indemnified Parties and the Holders of the Bonds, and shall be binding upon the Issuer and the Institution and their respective successors and assigns.

Section 12.11 Third Party Beneficiaries

. (a) The Issuer and the Institution agree that this Agreement is executed in part to induce the purchase by others of the Bonds and for the further securing of the Bonds, and accordingly all covenants and agreements on the part of the Issuer and the Institution as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds and may be enforced as provided in Article VIII of the Indenture on behalf of the Bondholders by the Trustee.

(b) Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Issuer, the Trustee, the Bond Registrar, the Institution, the Paying Agents and the Holders of the Bonds any right, remedy or claim under or by reason of this Agreement or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Trustee, the Bond Registrar, the Institution, the Paying Agents and the Holders of the Bonds.

Section 12.12 Law Governing

. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

Section 12.13 Waiver of Trial by Jury

. The Institution does hereby expressly waive all rights to a trial by jury on any cause of action directly or indirectly involving the terms, covenants or conditions of this Agreement or any matters

whatsoever arising out of or in any way connected with this Agreement, the Institution's obligations hereunder, the Facility, the Project, the relationship between the Issuer and the Institution, the Institution's ownership, use or occupancy of the Facility and/or any claim for injury or damages.

The provision of this Agreement relating to waiver of a jury trial shall survive the termination or expiration of this Agreement.

Section 12.14 Recourse Under This Agreement

. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer, and not of any member, director, officer, employee or agent of the Issuer or any natural person executing this Agreement on behalf of the Issuer in such person's individual capacity, and no recourse shall be had for any reason whatsoever hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing this Agreement on behalf of the Issuer. No recourse shall be had for the payment of the principal of, redemption premium, if any, Sinking Fund Installments for, Purchase Price or interest on the Bonds or for any claim based thereon or hereunder against any member, director, officer, employee or agent of the Issuer or any natural person executing the Bonds. In addition, in the performance of the agreements of the Issuer herein contained, any obligation the Issuer may incur for the payment of money shall not subject the Issuer to any pecuniary or other liability or create a debt of the State or the City, and neither the State nor the City shall be liable on any obligation so incurred and any such obligation shall be payable solely out of amounts payable to the Issuer by the Institution hereunder and under the Promissory Note.

Section 12.15 Legal Counsel; Mutual Drafting

. Each party acknowledges that this Agreement is a legally binding contract and that it was represented by legal counsel in connection with the drafting, negotiation and preparation of this Agreement. Each party acknowledges that it and its legal counsel has cooperated in the drafting, negotiation and preparation of this Agreement and agrees that this Agreement and any provision hereof shall be construed, interpreted and enforced without regard to any presumptions against the drafting party. Each party hereby agrees to waive any rule, doctrine or canon of law, including without limitation, the *contra preferentum* doctrine, that would require interpretation of any ambiguities in this Agreement against the party that has drafted it.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Issuer has caused its corporate name to be subscribed unto this Loan Agreement by its duly authorized Chairman, Vice Chairman, Executive Director, Deputy Executive Director or General Counsel and the Institution has caused its name to be hereunto subscribed by its duly Authorized Representative, all being done as of the year and day first above written.

BUILD NYC RESOURCE CORPORATION

By: _____
Emily Marcus
Deputy Executive Director

SETON EDUCATION PARTNERS

By: _____
Matthew Salvatierra
Chief Financial Officer

[Signature Page to Loan Agreement]

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

On the _____ day of November, in the year two thousand twenty-one, 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/Commissioner of Deeds

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

On the ____ day of November, in the year two thousand twenty-one, before me, the undersigned, personally appeared **Matthew Salvatierra**, 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

APPENDICES

EXHIBIT A

DESCRIPTION OF THE LAND

PARCEL 1, P/O LOT 35

ALL the land demised to Seton Education Partners under the terms of that certain Lease dated as of October 1, 2019, as amended by that certain letter agreement dated October 1, 2019, being a portion of that certain parcel of land known on the tax map of the City of New York as Block 3218, Lot 35 (the "Land" being the real property known as 2336 Andrews Avenue North, Bronx, New York, which Land is more particularly described as follows:

ALL those certain lots, pieces or parcels of land, situate, lying and being in the Borough of Bronx, City of New York and known and distinguished as Lots 73, 72, 71, 70, 69, 68 and Part of Lot 67 on a certain map entitled "Amended Map of Property of Cammann Estate at Fordham Heights, Borough of the Bronx, City of New York, made by Joseph C.B. Webster, C.E. and C.S. May 1, 1899, filed in the Office of the Register of the County of New York on June 30, 1899, as Map No. 288, being more particularly bounded and described as follows:

BEGINNING at a point on the southeasterly side of Andrews Avenue North, said point being distant 764.00 feet easterly from the corner formed by the intersection of the northeasterly side of West 183"* Street and the southeasterly side of Andrews Avenue North,

RUNNING THENCE easterly along the said southeasterly side of Andrews Avenue North, 156.6 feet,

THENCE southerly and parallel with West 183rd Street, 15.9 feet,

THENCE easterly and parallel with Andrews Avenue North, 0.7 feet,

THENCE southerly and again parallel with West 183rd Street, 54.5 feet;

THENCE westerly and parallel with Andrews Avenue North, 7.3 feet,

THENCE southerly parallel with West 183rd Street, 29.6 feet,

THENCE westerly and parallel with Andrews Avenue North,150.00 feet,

THENCE northerly and parallel with West 183rd Street, 100.00 feet; to the southeasterly side of Andrews Avenue North, the point or place of BEGINNING.

PARCEL II, BLOCK 2327 LOT 31

ALL that certain plot, piece or parcel of land, situate, lying and being in the borough and county of Bronx, City and State of New York being known and designated as Lot No. 10 on a certain map entitled "Map of Subdivision of School Lot No. 1 District School Property in Morrisania" made by William Rumble Surveyor, dated November 1, 1886 and filed in the Office of the Register of the County of Westchester, June 23rd, 1868, and also Lots No. 11, 12, 13, 14, and 15 on a certain

map entitled “Map of Property in the 23rd Ward of New York City, belonging to the Estate of William Simpson, Deceased” made by George C, Hollerith, dated February 26, 1892, and filed in the Office of the Register of the City and County of New York, April 7, 1892 which are more particularly bounded and described as follows:

BEGINNING at a point on the easterly side of Courtlandt Avenue, distant 110 feet southerly from the corner formed by the intersection of the southerly side of the 148th Street with the said easterly side of Courtlandt Avenue which point is where the said easterly side of Courtland Street is intersected by the northerly line of Lot No. 10 on the map first described;

RUNNING THENCE easterly along the northerly line of said Lot No. 10, 89.13 feet to the easterly side of said Lot No. 10;

THENCE SOUTHERLY along the said easterly line of said Lot No.10, 16.83 feet to the northerly line of Lot No. 15 on the map secondly above described;

THENCE easterly along the northerly line of said Lot No. 15, 77.58 feet to the westerly line of 3rd Avenue;

THENCE southerly along the said westerly line of 3rd Avenue, 50 feet to the southerly line of Lot No. 13 on the map secondly above described;

THENCE westerly along the southerly line of Lot No. 13, 61.90 feet to the easterly line of Lot No. 11 on the map secondly above described; and

THENCE southerly along the easterly line of said Lot No. 11, 9.70 feet to the southerly line of said Lot No. 11; and

THENCE westerly along the said southerly line of said Lot No. 11, 63.50 feet to the said easterly line of Courtlandt Avenue, and

THENCE northerly along the said easterly line of Courtlandt Avenue, 74.97 feet to the said northerly side of Lot No. 10 on the map first above described, to the point or place of BEGINNING.

PARCEL III, BLOCK 2289 LOT 75

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

BEGINNING at a point on the northerly right of way of E. 144th Street (60' wide), distant 123.67 feet from the easterly corner formed by the intersection of said northerly right of way of E. 144th Street and the easterly right of way of Willis Avenue (100' wide);

THENCE RUNNING with and binding on the west line of said Lot 75, N05°12'25"E along the westerly face of the building and through the brick privacy wall located on said Lot 75, a distance of 99.90 feet to the northwest corner of said Lot 75;

THENCE RUNNING with and binding on the northerly lines of said Lot 75 the following three (3) courses:

1. S84°47'39"E a distance of 25.03 feet;

2. S05°09'56"W a distance of 5.00 feet;

3. S84°47'39"E a distance of 50.14 feet to the northeast corner of said Lot 75;

THENCE RUNNING with and binding on the east line of said Lot 75, S05°15'26"W along the easterly face of a brick privacy wall and the easterly face of the building located on said Lot 75, .a distance of 94.90 feet to the southeast corner of said Lot 75 and said northerly right of way of E. 144th Street;

THENCE RUNNING with and binding on the south line of said Lot 75, N 84°47'39"W along said northerly right of way of E. 144th Street a distance of 75.08 feet to the Point Of BEGINNING.

EXHIBIT B

DESCRIPTION OF THE FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation or use at the buildings located at 2336 Andrews Avenue North, Bronx, New York, 500 Courtlandt Avenue, Bronx, New York, and 413 East 144th Street, Bronx, New York, financed with the proceeds of the Build NYC Resource Corporation Revenue Bonds (Seton Education Partners - Brilla Project), Series 2021, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefore, and all parts, additions and accessories incorporated therein or affixed thereto and shall include all property substituted for or replacing items and exclude all items so substituted for or replaced, and further exclude all items removed as provided in the Indenture and the Loan Agreement.

EXHIBIT C

AUTHORIZED REPRESENTATIVE

Name	Title	Signature
Matthew Salvatierra	Chief Financial Officer	_____
Daniel S. Peters	Secretary	_____

EXHIBIT D

PRINCIPALS OF THE INSTITUTION

Name	Title
Matthew Salviatierra	Chief Financial Officer
Daniel S. Peters	Secretary

EXHIBIT E

PROJECT COST BUDGET

	Bond Proceeds	Funds of Institution*	Total
Land and Building Acquisition	$	$	$
Project Improvements Investment			
Equipment			
Fees/Other Soft Costs	_____	_____	_____
Total	$	$	$

* Column should be revised if other loans or sources of funds comprise sources for Project Costs.

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 _____ 1, 20__, between the Issuer and _____, a not-for-profit corporation organized and existing under the laws of the State of _____ (the "Loan Agreement") THAT:

[if being delivered pursuant to 8.20 of the Loan Agreement] None of the surviving, resulting or transferee Entity, any of the Principals of such Entity, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Entity:

[if being delivered pursuant to 8.9 of the Loan Agreement] None of the assignee, transferee or lessee Entity, any of the Principals of such Entity, or any Person that directly or indirectly Controls, is Controlled by, or is under common Control with such Entity:

(1) is in default or in breach, beyond any applicable grace period, of its obligations under any written agreement with the Issuer, the NYCIDA, the NYCEDC or the City, unless such default or breach has been waived in writing by the Issuer, the NYCIDA, the NYCEDC or the City, as the case may be;

(2) has been convicted of a misdemeanor related to truthfulness and/or business conduct in the past five (5) years;

(3) has been convicted of a felony in the past ten (10) years;

(4) has received formal written notice from a federal, state or local governmental agency or body that such Person is currently under investigation for a felony criminal offense; or

(5) has received written notice of default in the payment to the City of any taxes, sewer rents or water charges, which have not been paid, unless such default is currently being contested with due diligence in proceedings in court or other appropriate forum.

As used herein, the following capitalized terms shall have the respective meanings set forth below:

"City" shall mean The City of New York.

"Control" or "Controls" shall mean the power to direct the management and policies of a Person (x) through the ownership, directly or indirectly, of not less than a majority of its voting securities, (y) through the right to designate or elect not less than a majority of the members of its board of directors or trustees or other Governing Body, or (z) by contract or otherwise.

"Entity" shall mean any of a corporation, general partnership, limited liability company, limited liability partnership, joint stock company, trust, estate, unincorporated organization, business association, tribe, firm, joint venture, governmental authority or governmental instrumentality, but shall not include an individual.

"Governing Body" shall mean, when used with respect to any Person, its board of directors, board of trustees or individual or group of individuals by, or under the authority of which, the powers of such Person are exercised.

"NYCEDC" shall mean New York City Economic Development Corporation, a New York not-for-profit corporation, and any successor thereof.

"NYCIDA" shall mean the New York City Industrial Development Agency, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State, duly organized and existing under the laws of the State, and any body, board, authority, agency or other governmental agency or instrumentality which shall hereafter succeed to the powers, duties, obligations and functions thereof.

"Person" shall mean an individual or any Entity.

"Principal(s)" shall mean, with respect to any Entity, the most senior three officers of such Entity, any Person with a ten percent (10%) or greater ownership interest in such Entity, and any Person as shall have the power to Control such Entity, and "principal" shall mean any of such Persons.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand this ____ day of _____, 20__.

[NAME OF CERTIFYING ENTITY]

By: _____
Name:
Title:

EXHIBIT G

RESERVED

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.

$[14,595,000][650,000] November [23], 2021

PROMISSORY NOTE

FOR VALUE RECEIVED, SETON EDUCATION PARTNERS, a not-for-profit corporation organized and existing under the laws of the State of Wyoming (the "**Borrower**"), by this promissory note hereby promises to pay to the order of BUILD NYC RESOURCE CORPORATION (the "**Issuer**"), the principal sum of [FOURTEEN MILLION FIVE HUNDRED NINETY FIVE THOUSAND Dollars AND NO/100 CENTS ($14,595,000.00)][SIX HUNDRED FIFTY THOUSAND Dollars AND NO/100 CENTS ($650,000.00)], together with interest on the unpaid principal amount hereof, from the date of the issuance and delivery of the Series 2021[A][B] 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 2021[A][B] Bonds, together with all Sinking Fund Installments and Redemption Price payments as and when due. All capitalized terms used but not defined in this Series 2021[A][B] Promissory Note shall have the respective meanings assigned such terms by the Indenture (as hereinafter defined) or by the Loan Agreement (as hereinafter defined). All such payments shall be made in funds which shall be immediately available on the due date of such payments and in lawful money of the United States of America and shall be paid at the designated corporate trust office of the Trustee or its successor under the Indenture.

The principal amount, interest, Sinking Fund Installments and Redemption Price shall be payable on the dates and in the amounts that principal of, interest, Sinking Fund Installments and Redemption Price on the Initial Bonds are payable under the Loan Agreement (as defined below), subject to prepayments and credits to the extent provided in the Indenture and the Loan Agreement.

This promissory note is the "Series 2021[A][B] Promissory Note" referred to in the Loan Agreement, dated as of November 1, 2021 (as the same may be amended or supplemented, the "**Loan Agreement**"), between the Borrower and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Series 2021[A][B] Promissory Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Trustee under the Indenture of Trust, dated as of November 1, 2021 (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

$[14,595,000][650,000] in aggregate principal amount of [Tax-Exempt][Taxable] Revenue Bonds, Series 2021[A][B] (Seton Education Partners - Brilla Project) (the "**Series 2021[A][B] Bonds**"), issued by the Issuer pursuant to the Indenture. All the terms, conditions and provisions of the Indenture, the Loan Agreement and the Series 2021[A][B] Bonds are hereby incorporated as a part of this Series 2021[A][B] Promissory Note.

The Borrower may at its option, and may under certain circumstances be required to, prepay together with accrued interest, all or any part of the amounts due under this Series 2021[A][B] Promissory Note, as provided in the Loan Agreement and the Indenture.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

The Borrower hereby promises to pay costs of collection and attorneys' fees in case of default on this Series 2021[A][B] Promissory Note.

This Series 2021[A][B] 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.

SETON EDUCATION PARTNERS

By:_____
Name:
Title:

:

ENDORSEMENT

Pay to the order of The Bank of New York Mellon, without recourse, as Trustee under the Indenture referred to in the within mentioned Loan Agreement, as security for the Series 2021[A][B] Bonds issued under such Indenture. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Series 2021[A][B] Promissory Note.

BUILD NYC RESOURCE CORPORATION

By: _____
Emily Marcus
Deputy Executive Director

Dated: November [23], 2021

EXHIBIT I

HireNYC

The Institution must collaborate with the New York City Department of Small Business Services or such other a 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 Closing Date ("**HireNYC Program Term**").

The HireNYC Program will apply to the Institution, its successors and assigns, and to all tenants (which term also includes subtenants) at the Facility during the HireNYC Program Term.

I. Goals. The HireNYC Program includes, at a minimum, the following hiring and workforce development goals (collectively, the "**Goals**"):

Hiring Goal:	Fifty percent (50%) of all new permanent jobs created in connection with the Facility (including jobs created by tenants, but excluding jobs relocated from other sites) will be filled by members of the Target Population referred by the Designated City Agency for a period beginning, for each employer, at commencement of business operations and continuing through the end of the HireNYC Program Term. Notwithstanding the foregoing, the Hiring Goal shall only apply to hiring on occasions when the Institution (or a tenant) is hiring for five (5) or more permanent jobs.
Retention Goal:	Forty percent (40%) of all employees whose hiring satisfied the Hiring Goal will be retained for at least nine (9) months from date of hire.
Advancement Goal:	Thirty percent (30%) of all employees whose hiring satisfied the Hiring Goal will be promoted to a higher paid position within one (1) year of date of hire.
Training Goal:	Cooperation with NYCEDC and the Designated City Agency to provide skills-training or higher education opportunities to members of the Target Population.

II. Program Requirements. HireNYC Program includes all of the following requirements:

1. Designation of a workforce development liaison by the Institution to interact with NYCEDC and the Designated City Agency during the course of the HireNYC Program.

2. Commitment by the Institution to do the following:

   a. use good faith efforts to achieve the Goals;
   b. notify NYCEDC six (6) weeks prior to commencing business operations;
   c. with respect to initial hiring for any new permanent jobs associated with the commencement of business at the Facility (but only if initial hiring is for five (5) or more permanent jobs):
      (i) provide NYCEDC and the Designated City Agency with the approximate number and type of jobs that will become available, and for each job type a description of the basic job qualifications, at least three (3) months before commencing hiring; and
      (ii) consider only applicants referred by the Designated City Agency for the first ten (10) business days, until the Hiring Goal is achieved or until all open positions are filled, whichever occurs first;
   d. with respect to ongoing hiring on occasions when hiring for five (5) or more permanent jobs:
      (i) provide NYCEDC and the Designated City Agency with the approximate number and type of jobs that will become available, and for each job type a description of the basic job qualifications, at least one (1) month before commencing hiring or as soon as information is available, but in all cases not later than one (1) week before commencing hiring; and
      (ii) consider only applicants referred by the Designated City Agency for the first five business days, until the Hiring Goal is achieved or until all open positions are filled, whichever occurs first;
   e. notify NYCEDC thirty (30) days prior to execution of any tenant lease at the Facility;
   f. provide NYCEDC with one (1) electronic copy of all tenant leases at the project location within fifteen (15) days of execution;
   g. submit to NYCEDC an annual HireNYC Employment Report in the form provided by NYCEDC (or quarterly reports at the discretion of NYCEDC);
   h. cooperate with annual site visits and, if requested by NYCEDC, employee satisfaction surveys relating to employee experience with the Institution's HireNYC Program;
   i. provide information related to the HireNYC Program and the hiring process to NYCEDC upon request; and
   j. allow information collected by NYCEDC and the Designated City Agency to be included in public communications, including press releases and other media events.

III. <u>General Requirements.</u> The following are general requirements of the HireNYC Program

1. The Institution is required to incorporate the terms of its HireNYC Program into all tenant leases obligating tenants to comply with the Goals and other requirements in the Institution's HireNYC Program to the same extent as the Institution is required to comply with such Goals and other requirements.

2. Enforcement. In the event NYCEDC determines that the Institution or any of its tenants has violated any of the HireNYC Program requirements, including, without limitation, a determination that the Institution or any of its tenants, has failed to use good faith efforts to fulfill the Goals, NYCEDC shall notify the Issuer of the violation and the Issuer may (1) assess liquidated damages set forth immediately below; and/or (2) assert any other right or remedy it has under the Agreement.

3. Liquidated Damages. If the Institution or any of its tenants, does any of the following:

   (i) fail to comply with its obligations set forth in Section II(2) clauses (a)(with respect to the Hiring Goal), (c), and/or (d), and as a result the Designated City Agency was unable to refer applicants or participate in the hiring process as required by the program; or

   (ii) fail to comply with its obligations set forth in Section II(2) clauses, (f), (g), (h), (i), and/or (j) and such failure shall continue for a period of thirty (30) days after receipt of notice from NYCEDC,

   then, in the case of clause (i), the Issuer may assess liquidated damages in the amount of $2,500 for each position for which the Designated City Agency was unable to refer applicants or otherwise participate in hiring as required by the program; and in the case of clause (ii), the Issuer may assess damages for breach of each requirement in the amount of $1,000. In view of the difficulty of accurately ascertaining the loss which the Issuer will suffer by reason of the Institution's failure to comply with Program requirements, the foregoing amounts are hereby fixed and agreed as the liquidated damages that the Issuer will suffer by reason of such failure, and not as a penalty. The Institution shall be liable for and shall pay to the Issuer all damages assessed against the Institution or any of its tenants at the project upon receipt of demand from the Issuer.

EXHIBIT J
FORM OF LW AGREEMENT

LIVING WAGE AGREEMENT

This LIVING WAGE AGREEMENT (this "Agreement") is made as of [_____], by [_____] ("Obligor") in favor of Institution, the Issuer, the City, the DCA and the Comptroller (each as defined below) (each, an "Obligee"). In consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Obligor hereby covenants and agrees as follows:

1. Definitions. As used herein the following capitalized terms shall have the respective meanings specified below.

"Affiliate" means, with respect to a given Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with such given Person.

"Asserted Cure" has the meaning specified in paragraph 10(a).

"Asserted LW Violation" has the meaning specified in paragraph 10(a).

"City" means The City of New York.

"Comptroller" means the Comptroller of The City of New York or his or her designee.

"Concessionaire" means a Person that has been granted the right by Institution, an Affiliate of Institution or any tenant, subtenant, leaseholder or subleaseholder of Institution or of an Affiliate of Institution to operate at the Facility for the primary purpose of selling goods or services to natural persons at the Facility.

"Control" or "Controls", including the related terms "Controlled by" and "under common Control with", means the power to direct the management and policies of a Person (a) through the ownership, directly or indirectly, of not less than a majority of its voting equity, (b) through the right to designate or elect not less than a majority of the members of its board of directors, board of managers, board of trustees or other governing body, or (c) by contract or otherwise.

"Covered Counterparty" means a Covered Employer whose Specified Contract is directly with Obligor or an Affiliate of Obligor to lease, occupy, operate or perform work at the Obligor Facility.

"Covered Employer" means any of the following Persons: (a) Obligor, (b) a tenant, subtenant, leaseholder or subleaseholder of Obligor that leases any portion of the Obligor Facility (or an Affiliate of any such tenant, subtenant, leaseholder or subleaseholder if such Affiliate has one or more direct Site Employees), (c) a Concessionaire that operates on any

portion of the Obligor Facility, and (d) a Person that contracts or subcontracts with any Covered Employer described in clauses (a), (b) or (c) above to perform work for a period of more than ninety days on any portion of the Obligor Facility, including temporary services or staffing agencies, food service contractors, and other on-site service contractors; provided, however, that the term "Covered Employer" shall not include (i) a Person of the type described in Section 6-134(d)(2), (3), (4) or (5) of the New York City Administrative Code, (ii) a Person that has annual consolidated gross revenues that are less than the Small Business Cap unless the revenues of the Person are included in the consolidated gross revenues of a Person having annual consolidated gross revenues that are more than the Small Business Cap, in each case calculated based on the fiscal year preceding the fiscal year in which the determination is being made, and in each case calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Obligor Facility if residential units comprise more than 75% of the total Facility area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, (vi) if Institution is a "covered developer" under and as defined in the Prevailing Wage Law, a Person that is a "building services contractor" (as defined in the LW Law) so long as such Person is paying its "building service employees" (as defined in the Prevailing Wage Law) no less than the applicable "prevailing wage" (as defined in the Prevailing Wage Law), or (vii) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

"DCA" means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

"Facility" means collectively, those parcels of land in the Borough of the Bronx, Tax Block [____] and Lot [__], generally known by the street address 2336 Andrews Avenue North, Bronx, New York, that certain lot, piece or parcel of land in the Borough of the Bronx, Tax Block [___] and Lot [__], generally known by the street address 500 Courtlandt Avenue, Bronx, New York, that certain lot, piece or parcel of land in the Borough of the Bronx, Tax Block [__] and Lot [__], generally known by the street address 413 East 144th Street, Bronx, New York.

"Institution" means Seton Education Partners, a not-for-profit corporation organized and existing under the laws of the State of Wyoming, having its principal office at 441 East 148th Street, Bronx, New York, or its permitted successors or assigns as Institution under the Project Agreement.

"Issuer" means Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 1 Liberty Plaza, New York, New York 10006.

"LW" has the same meaning as the term "living wage" as defined in Section 6-134 of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour ($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

"LW Agreement" means, with respect to any Covered Counterparty, an enforceable agreement in the form attached hereto as Attachment 1 (except only with such changes as are necessary to make such Covered Counterparty the obligor thereunder).

"LW Agreement Delivery Date" means, with respect to any Covered Counterparty, the latest of (a) the effective date of such Covered Counterparty's Specified Contract, (b) the date that such Covered Counterparty becomes a Covered Employer at the Obligor Facility and (c) the date of this Agreement.

"LW Law" means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"LW Term" means the period commencing on the date of this Agreement and ending on the date that is the earlier to occur of: (a) the later to occur of (i) the date on which Institution is no longer receiving financial assistance under the Project Agreement or (ii) the date that is ten years after the Facility commences operations, or (b) the end of the term of Obligor's Specified Contract (including any renewal or option terms pursuant to any exercised options), whether by early termination or otherwise.

"LW Violation Final Determination" has the meaning specified in paragraph 10(a)(i), paragraph 10(a)(ii)(1) or paragraph 10(a)(ii)(2), as applicable.

"LW Violation Initial Determination" has the meaning specified in paragraph 10(a)(ii).

"LW Violation Notice" has the meaning specified in paragraph 10(a).

"LW Violation Threshold" means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

"Obligor Facility" means the applicable portion of the Facility covered by the Specified Contract of Obligor.

"Operational Date" means the date that Obligor commences occupancy, operations or work at the Obligor Facility.

"Owed Interest" means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

"Owed Monies" means, as the context shall require, either (a) the total deficiency of LW required to be paid by Obligor in accordance with this Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis; or (b) if Obligor failed to obtain a LW Agreement from a Covered Counterparty as required under paragraph 5 below, the total deficiency of LW that would have been required to be paid under such Covered Counterparty's LW Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis, during the period commencing on the LW Agreement Delivery Date applicable to such Covered Counterparty and ending immediately prior to the execution and delivery by such Covered Counterparty of its LW Agreement (if applicable).

"Person" means any natural person, sole proprietorship, partnership, association, joint venture, limited liability company, corporation, governmental authority, governmental agency, governmental instrumentality or any form of doing business.

"Pre-Existing Covered Counterparty" has the meaning specified in paragraph 5.

"Pre-Existing Specified Contract" has the meaning specified in paragraph 5.

"Prevailing Wage Law" means Section 6-130 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"Project Agreement" means that certain Loan Agreement, dated as of November 1, 2021, 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 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, 1 Liberty Plaza, New York, NY, 10006, Attention: General Counsel, with a copy to Build NYC Resource Corporation, 1 Liberty Plaza, New York, NY, 10006, Attention: Executive Director.

(c) If to the DCA, to Department of Consumer Affairs of The City of New York, 42 Broadway, New York, NY, 10004, Attention: Living Wage Division.

(d) If to the Comptroller, to Office of the Comptroller of The City of New York, One Centre Street, New York, NY 10007, Attention: Chief, Bureau of Labor Law.

13. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

14. Obligor hereby irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of this Agreement may be brought in the courts of record of the State of New York in New York County or the United States District Court for the Southern District of New York; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (d) waives and relinquishes any rights it might otherwise have (i) to move to dismiss on grounds of forum non conveniens, (ii) to remove to any federal court other than the United States District Court for the Southern District of New York, and (iii) to move for a change of venue to a New York State Court outside New York County.

15. Notwithstanding any other provision of this Agreement, in no event shall the partners, members, counsel, directors, shareholders or employees of Obligor have any personal obligation or liability for any of the terms, covenants, agreements, undertakings, representations or warranties of Obligor contained in this Agreement.

IN WITNESS WHEREOF, Obligor has executed and delivered this Agreement as of the date first written above.

[_____]

By: _____
Name:
Title:

ATTACHMENT 1 to EXHIBIT J
FORM OF LW AGREEMENT

LIVING WAGE AGREEMENT

This LIVING WAGE AGREEMENT (this "Agreement") is made as of [_____], by [_____] ("Obligor") in favor of 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 calculated in accordance with generally accepted accounting principles, (iii) any otherwise covered Person operating on any portion of the Obligor Facility if residential units comprise more than 75% of the total Facility area and all of the residential units are subject to rent regulation, (iv) any otherwise covered Person that the Issuer has determined (in its sole and absolute discretion) in writing to be exempt on the basis that it works significantly with a Qualified Workforce Program, (v) a Person whose Site Employees all are paid wages determined pursuant to a collective bargaining or labor agreement, (vi) if Institution is a "covered developer" under and as defined in the Prevailing Wage Law, a Person that is a "building services contractor" (as defined in the LW Law) so long as such Person is paying its "building service employees" (as defined in the Prevailing Wage Law) no less than the applicable "prevailing wage" (as defined in the Prevailing Wage Law), or (vii) a Person exempted by a Deputy Mayor of The City of New York in accordance with the Mayor's Executive Order No. 7 dated September 30, 2014.

"DCA" means the Department of Consumer Affairs of The City of New York, acting as the designee of the Mayor of The City of New York, or such other agency or designee that the Mayor of The City of New York may designate from time to time.

"Facility" means collectively, those parcels of land in the Borough of the Bronx, Tax Block [____] and Lot [__], generally known by the street address 2336 Andrews Avenue North, Bronx, New York, that certain lot, piece or parcel of land in the Borough of the Bronx, Tax Block [___] and Lot [__], generally known by the street address 500 Courtlandt Avenue, Bronx, New York, that certain lot, piece or parcel of land in the Borough of the Bronx, Tax Block [__] and Lot [__], generally known by the street address 413 East 144th Street, Bronx, New York.

"Institution" means Seton Education Partners, a not-for-profit corporation organized and existing under the laws of the State of Wyoming, having its principal office at 441 East 148th Street, Bronx, New York, or its permitted successors or assigns as Institution under the Project Agreement.

"Issuer" means Build NYC Resource Corporation, a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York at the direction of the Mayor of The City of New York, having its principal office at 1 Liberty Plaza, New York, New York 10006.

"LW" has the same meaning as the term "living wage" as defined in Section 6-134 of the New York City Administrative Code and shall be adjusted annually in accordance therewith, except that as of April 1, 2015, the "living wage rate" component of the LW shall be eleven dollars and sixty-five cents per hour ($11.65/hour) and the "health benefits supplement rate" component of the LW shall be one dollar and sixty-five cents per hour ($1.65/hour). The annual adjustments to the "living wage rate" and "health benefits supplement rate" will be announced on or around January 1 of each year by the DCA and will go into effect on April 1 of such year.

"LW Law" means the Fair Wages for New Yorkers Act, constituting Section 6-134 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"LW Term" means the period commencing on the date of this Agreement and ending on the date that is the earlier to occur of: (a) the later to occur of (i) the date on which Institution is no longer receiving financial assistance under the Project Agreement or (ii) the date that is ten years after the Facility commences operations; or (b) the end of the term of Obligor's Specified Contract (including any renewal or option terms pursuant to any exercised options), whether by early termination or otherwise.

"LW Violation Final Determination" has the meaning specified in paragraph 9(a)(i), paragraph 9(a)(ii)(1) or paragraph 9(a)(ii)(2), as applicable.

"LW Violation Initial Determination" has the meaning specified in paragraph 9(a)(ii).

"LW Violation Notice" has the meaning specified in paragraph 9(a).

"LW Violation Threshold" means $100,000 multiplied by 1.03^n, where "n" is the number of full years that have elapsed since January 1, 2015.

"Obligor Facility" means the applicable portion of the Facility covered by the Specified Contract of Obligor.

"Operational Date" means the date that Obligor commences occupancy, operations or work at the Obligor Facility.

"Owed Interest" means the interest accruing on Owed Monies, which interest shall accrue from the relevant date(s) of underpayment to the date that the Owed Monies are paid, at a rate equal to the interest rate then in effect as prescribed by the superintendent of banks pursuant to Section 14-a of the New York State Banking Law, but in any event at a rate no less than six percent per year.

"Owed Monies" means the total deficiency of LW required to be paid by Obligor in accordance with this Agreement to its direct Site Employee(s) after taking into account the wages actually paid (which shall be credited towards the "living wage rate" component of the LW), and the monetary value of health benefits actually provided (which shall be credited towards the "health benefits supplement rate" component of the LW), to such direct Site Employee(s), all as calculated on a per pay period basis.

"Person" means any natural person, sole proprietorship, partnership, association, joint venture, limited liability company, corporation, governmental authority, governmental agency, governmental instrumentality or any form of doing business.

"Prevailing Wage Law" means Section 6-130 of the New York City Administrative Code, as amended, supplemented or otherwise modified from time to time, and all rules and regulations promulgated thereunder.

"Project Agreement" means that certain Loan Agreement, dated as of November 1, 2021, 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, 1 Liberty Plaza, New York, NY, 10006, Attention: General Counsel, with a copy to Build NYC Resource Corporation, 1 Liberty Plaza, New York, NY, 10006, Attention: Executive Director.

(c) If to the DCA, to Department of Consumer Affairs of The City of New York, 42 Broadway, New York, NY, 10004, Attention: Living Wage Division.

(d) If to the Comptroller, to Office of the Comptroller of The City of New York, One Centre Street, New York, NY 10007, Attention: Chief, Bureau of Labor Law.

12. This Agreement shall be governed by, and shall be construed and enforced in accordance with, the laws of the State of New York.

13. Obligor hereby irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of this Agreement may be brought in the courts of record of the State of New York in New York County or the United States District Court for the Southern District of New York; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; (c) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (d) waives and relinquishes any rights it might otherwise have (i) to move to dismiss on grounds of forum non conveniens, (ii) to remove to any federal court other than the United States District Court for the Southern District of New York, and (iii) to move for a change of venue to a New York State Court outside New York County.

14. Notwithstanding any other provision of this Agreement, in no event shall the partners, members, counsel, directors, shareholders or employees of Obligor have any personal

obligation or liability for any of the terms, covenants, agreements, undertakings, representations or warranties of Obligor contained in this Agreement.

IN WITNESS WHEREOF, Obligor has executed and delivered this Agreement as of the date first written above.

[_____]

By: _____
Name:
Title:

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EXHIBITS

APPENDIX G

FORM OF MORTGAGE

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LEASEHOLD MORTGAGE AND SECURITY AGREEMENT
(EAST 144TH STREET FACILITY)

From

SETON EDUCATION PARTNERS,
a not-for-profit corporation organized and existing under the laws of the State of Wyoming, having its principal office in New York City at 441 E. 148th Street, Bronx, New York 10454, as "Institution" and "Debtor"

To

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 "Mortgagee"

And

THE BANK OF NEW YORK MELLON,
a banking corporation organized and existing under the laws of the State of New York, having a corporate trust office at 240 Greenwich Street, New York, New York 10286, together with any successor Master Trustee under the Master Trust Indenture and Security Agreement referred to herein, as "Master Trustee" and "Mortgagee"

Dated as of November 1, 2021

The Maximum Amount Secured by this Mortgage is $2,235,000

$14,595,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds, Series 2021A
(Seton Education Partners – Brilla Project)

$650,000
Build NYC Resource Corporation
Taxable Revenue Bonds, Series 2021B
(Seton Education Partners – Brilla Project)

Affecting that real property described in the Description of Land in the appendices to this Leasehold Mortgage and Security Agreement (East 144th Street)
in the Borough of Bronx, County of Bronx, The City of New York, State of New York

Record and Return to:	Address	Block(s)	Lot
Nixon Peabody LLP Tower 46 55 West 46th Street New York, New York 10036-4120 Attention: Scott Singer, Esq.	413 East 144th Street Bronx, New York	2289	75

LEASEHOLD MORTGAGE AND SECURITY AGREEMENT
(EAST 144TH STREET FACILITY)

This **LEASEHOLD MORTGAGE AND SECURITY AGREEMENT (EAST 144TH STREET FACILITY)** made and entered into as of the date set forth on the cover page hereof (this "**Mortgage**") from that entity identified on the cover page hereof as the Debtor to the Issuer and the Master Trustee as the Mortgagee (capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture or in the Loan Agreement, each as referred to below):

W I T N E S S E T H :

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 projects within the City 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 Issuer intends to issue the Bonds pursuant to the Bond Resolution and the Indenture; and

WHEREAS, to facilitate the Project and the issuance by the Issuer of the Bonds, (i) the Issuer will make the Loan of the proceeds of the Bonds, in the original principal amount of the Bonds, to the Debtor pursuant to the Loan Agreement and (ii) the Debtor will execute the Promissory Note in favor of the Issuer and the Trustee to evidence the Debtor's obligation under the Loan Agreement to repay the Loan, and the Issuer will endorse the Promissory Note to the Trustee; and

WHEREAS, in connection with the Bonds and the Loan, the Debtor will execute the Series 2021 Notes (as defined in the Master Trust Indenture and Security Agreement) pursuant to the Master Trust Indenture and Security Agreement in favor of the Issuer to secure the Debtor's obligations relating to the Loan and the Related Bond Documents (as defined in the Master Trust Indenture and Security Agreement) under the Master Trust Indenture and Security Agreement, and the Issuer will endorse the Series 2021 Notes to the Trustee; and

WHEREAS, the proceeds derived from the issuance of the Bonds are to be used to finance a portion of the cost of the Project constituting the Facility owned by the Debtor and located at the Facility Address; and

WHEREAS, in order to induce the Issuer to issue, and the initial owners to purchase, the Bonds, the Debtor is entering into this Mortgage; and

WHEREAS, pursuant to the Assignment of Mortgage, the Issuer intends to assign to the Master Trustee all of its right, title and interest as Mortgagee under this Mortgage; and

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure:

(i) payment of the Secured Principal Amount of the Notes and the indebtedness represented thereby, the Purchase Price, if applicable, and the redemption premium, if any, and interest on the Notes according to their tenor and effect and the performance and observance by the Debtor of all the covenants expressed or implied in the Notes and by the Issuer of all the covenants expressed or implied in the Bonds, and

(ii) payment, performance and observance of all obligations of the Debtor under the Security Documents including this Mortgage,

whether now arising or hereafter arising, direct or indirect, absolute or contingent, joint or several, due or to become due, liquidated or unliquidated, secured or unsecured, original, renewed or extended, whether arising directly or acquired from others (all such indebtedness and obligations described in clauses (i) and (ii) above being collectively referred to herein as the "Obligations"), provided, however, that the maximum principal amount secured hereby shall not exceed the Secured Principal Amount, the Debtor does hereby grant, bargain, sell, convey, transfer, mortgage, grant a security interest in, pledge and assign to the Issuer and the Master Trustee as Mortgagee, and their respective assigns forever, its right, title and interest in and to the following (the "**Mortgaged Property**"):

GRANTING CLAUSES

I

The Facility Realty together with the tenements, hereditaments, servitudes, appurtenances, estate, rights, privileges, liberties, licenses, royalties, mineral, oil and gas rights, water, water rights, reversions, remainders and immunities thereunto belonging or appertaining which may from time to time be owned or leased by the Debtor, to the extent any such lease allows or permits the assignment of Debtor's right, title and interest in such leased property, including all the right, title and interest of the Debtor in and to all streets, ways, alleys, roads, waters, water courses, water rights, waterways, passages, sewer rights and public places adjoining the Facility Realty and all easements and rights-of-way, public or private, and gores of land, now or hereafter used in connection therewith, together with all land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Facility Realty to the center line thereof, now or hereafter used in connection with the Facility Realty.

II

The Facility Personalty together with all fixtures, equipment, machinery, apparatus, appliances, fittings, chattels and articles of personal property of every kind and nature useable in connection with the operation of the improvements now or hereafter located at the Facility Realty, and all building materials and supplies of any nature whatsoever whether now or owned or hereafter acquired, now or hereafter attached to, or used or usable in connection with any present or future operation or occupancy of the Facility and owned by the Debtor or in which the Debtor has or shall have an interest and all renewals and replacements thereof and additions and accessions thereto, including without limitation all partitions, elevators, lifts, steam and hot water boilers, heating and air conditioning equipment, lighting and power plants, engines, motors, compressors, ducts, coal, oil and gas burning apparatus, pipes, pumps, plumbing, radiators, sinks, bath tubs, water closets, refrigerators, gas and electrical fixtures, communications apparatus, stoves, ranges, shades, screens, awnings, vacuum cleaning system, and sprinkler system or other fire prevention or extinguishing apparatus and materials, all of which shall be deemed to be, remain and form a part of the Facility and are covered by the lien of this Mortgage; excluding, however, the Institution's Property (as defined in Section 3.4(d) of the Loan Agreement) from the lien of this Mortgage.

III

All property insurance proceeds, awards, payments and other compensation payments, including interest thereon, and the right to receive the same, which are heretofore or hereafter made with respect to the Facility as a result of or in lieu of any taking by eminent domain (including any transfer made in lieu of the exercise of said right), the alteration of the grade of any street, or any other damage or injury to or decrease in the value of the Facility or the occurrence of any Loss Event (as defined in Section 6.1 of the Loan Agreement), to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by the Mortgagee, and of the reasonable attorneys' fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment, subject to the terms of the Indenture and the Loan Agreement as to the application of all such amounts so received.

IV

All right, title and interest of the Debtor in and to (a) any and all present and future leases of space in any building(s) on or to be erected upon the Facility Realty; (b) any and all present and future subleases of space in any building(s) on or to be erected upon the Facility Realty; (c) all rents, issues and profits payable under any such leases and subleases; (d) any contracts for the sale of all or any portion of the Facility Realty or any building(s) or portions thereof on or to be erected upon the Facility Realty ("sale contracts"); and (e) any interest of the Debtor in contracts, agreements or other arrangements with architects, engineers and other professionals responsible for the design and supervision of the Project Work. Nothing in this paragraph is intended to constitute the consent of the Issuer, the Master Trustee or the Bondholders to any such leases, subleases or sale contracts.

V

All right, title and interest of the Debtor in all proceeds of any unearned premiums on any insurance policies (other than liability insurance policies) concerning the Facility, including, without limitation, the right to receive and apply the proceeds of any property insurance, judgments or settlements made in lieu thereof, for damages to the Facility, subject, however, to the terms of the Indenture and the Loan Agreement.

VI

All right, title and interest of the Debtor in all construction contracts, payment bonds, performance bonds, surety bonds, warranties, guarantees, maintenance, repair or replacement agreements and other contractual obligations of any contractor, subcontractor, surety, guarantor, manufacturer, dealer, laborer, supplier or materialman made with respect to the Facility or any part thereof.

VII

All the right, in the name and on behalf of the Debtor, to appear in and defend any action or proceeding brought with respect to the Facility and to commence any action or proceeding to protect the interest of the Mortgagee in the Facility.

VIII

Any and all air rights, development rights, zoning rights or other similar rights or interests which benefit or are appurtenant to the Facility and any proceeds arising therefrom.

IX

All agreements (other than the Loan Agreement) and/or contracts now or hereafter entered into by the Debtor for the Project Work or any part thereof, and all permits, licenses, bonds, plans and specifications relative to the Project.

X

Any and all further estate, right, title, interest, property, claim and demand whatsoever of the Debtor in and to any of the above.

XI

Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Debtor or by any other Person with or without the consent of the Debtor, to the Mortgagee 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.

XII

All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

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 Mortgagee and their successors and to them and their assigns forever;

THIS MORTGAGE secures the payment, performance and observance of the Obligations and shall continue in full force and effect until the Obligations shall be paid and satisfied in full or otherwise provided for in accordance with their respective terms.

Notwithstanding anything contained herein to the contrary, the maximum amount of Obligations secured by this Mortgage at execution or which under any contingency may become secured hereby at any time hereafter is the Secured Principal Amount plus interest thereon, plus all amounts expended by the Mortgagee after default by the Debtor which constitute payment of (i) taxes, charges or assessments which may be imposed by law upon the Mortgaged Property; (ii) premiums on insurance policies covering the Mortgaged Property; (iii) expenses incurred in protecting or upholding the lien of this Mortgage, including, but not limited to the expenses of any litigation to prosecute or defend the rights and lien created by this Mortgage; (iv) expenses incurred in protecting the collateral encumbered by this Mortgage; or (v) any amount, cost or charge to which the Mortgagee becomes subrogated upon payment, whether under recognized principles of law or equity, or under express statutory authority.

DEBTOR HEREBY represents, warrants, covenants and agrees with the Mortgagee as set forth below:

ARTICLE I

DEFINITIONS; CONSTRUCTION

Section 1.1. Certain Definitions. The following terms shall have the respective meanings in this Mortgage, except as the context otherwise requires:

Assignment of Mortgage shall mean the Assignment of Leasehold Mortgage and Security Agreement (East 144th Street), relating to the Facility, dated as of even date herewith, and from the Issuer to the Master Trustee, and shall include any and all amendments thereof and supplements thereto hereafter made in conformity therewith and with the Indenture.

Bond Resolution shall mean the resolution of the Issuer adopted on April 27, 2021, authorizing the Project and the issuance of the Initial Bonds.

Bonds shall mean the Initial Bonds and any Additional Bonds.

Business Day shall have the meaning assigned to that term in the Indenture.

Closing Date shall mean November 23, 2021, the date of the initial issuance and delivery of the Bonds.

Debtor shall mean Seton Education Partners, a not-for-profit corporation organized and existing under the laws of the State of Wyoming, and its successors and assigns; provided, however, that nothing contained in this definition shall be deemed to limit or modify the obligations of the Debtor under Section 8.9 or 8.20 of the Loan Agreement.

Facility shall mean an approximately 20,700 square foot facility located at 413 East 144th Street, Bronx, New York, for use by the Organization in the providing of education services to students for the Brilla College Prep Elementary School.

Facility Address shall mean 413 East 144th Street, Bronx, New York 10468.

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 Facility Personalty", together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Personalty shall, in accordance with the provisions of Sections 3.5 and 6.4 of the Loan Agreement, include all property substituted for or replacing items of Facility Personalty and exclude all items of Facility Personalty so substituted for or replaced, and further exclude all items of Facility Personalty removed as provided in Section 3.5 of the Loan Agreement.

Facility Realty shall mean, collectively, the Land and the Improvements.

Holders shall have the meaning assigned to that term in the Indenture.

Improvements shall mean (i) all buildings, structures, foundations, related facilities, fixtures and other improvements existing on the Closing Date and erected or situated on the Land; (ii) any other buildings, structures, foundations, related facilities, fixtures and other improvements constructed or erected on the Land (including any improvements or demolitions made as part of the Project Work pursuant to Section 3.2 of the Loan Agreement); and (iii) all replacements, improvements, additions, extensions, substitutions, restorations and repairs to any of the foregoing.

Indenture shall mean the Indenture of Trust, dated as of even date herewith, between the Issuer and the Trustee, and includes any and all amendments thereof and supplements thereto made in accordance therewith.

Land shall mean that certain lot, piece or parcel of land in Block 2289 and Lot 75, generally known by the street address 413 East 144th Street, Bronx, New York 10468, all as more particularly described in Exhibit A — "Description of the Land", together with all easements, rights and interests now or hereafter appurtenant or beneficial thereto; but excluding, however, any real property or interest therein released pursuant to Section 8.10(c) of the Loan Agreement.

Lease Agreement shall mean that certain Lease between the Church of St. Pius, Borough of Bronx, N.Y. City and the Institution, dated as of January 17, 2013, as the same may be amended from time to time.

Loan Agreement shall mean the Loan Agreement, dated as of even date herewith, between the Issuer and the Debtor, and includes any and all amendments thereof and supplements thereto made in accordance therewith and with the Indenture.

Loan shall have the meaning assigned to that term on the Loan Agreement.

Majority Holders mean the Holders (as defined in the Master Trust Indenture and Security Agreement) of a majority in principal amount of the Outstanding Notes.

Master Trustee shall mean The Bank of New York Mellon, its successors and/or assigns.

Master Trust Indenture and Security Agreement shall mean the Master Trust Indenture and Security Agreement, dated as of November 1, 2021, between the Institution and the Master Trustee, as from time to time amended or supplemented by Supplemental Indentures.

Mortgage shall mean this Leasehold Mortgage and Security Agreement (East 144th Street) from the Debtor to the Issuer and the Master Trustee, as Mortgagee, and includes any and all amendments hereof and supplements hereto made in accordance herewith and with the Indenture.

Notes shall mean the Series 2021 Notes and any and all additional Notes issued pursuant to the Master Trust Indenture and Security Agreement from time to time entitled to the benefit of this Mortgage, and any and all modifications, extensions, renewals, rearrangements, replacements and increases of such Notes.

Opinion of Counsel shall have the meaning assigned to that term in the Indenture.

Organization shall mean Brilla College Preparatory Charter Schools, a New York not-for-profit education corporation, exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.

Outstanding shall have the meaning assigned to that term in the Indenture or the Master Trust Indenture and Security Agreement.

Permitted Encumbrances shall have the meaning assigned to that term in the Indenture.

Person shall have the meaning assigned to that term in the Indenture.

Project shall mean shall mean the (a) refinancing of two taxable loans in the outstanding amounts of $600,000 and $11,170,000, respectively, both of which loans financed leasehold improvements in 70,000 square feet of space in a building located at 2336 Andrews Avenue North, Bronx, NY, which currently serves as a site for the following schools: Brilla Pax Elementary School and Brilla Caritas Elementary School (the "Leased Facility 1"); (b) refinancing a taxable loan in the outstanding amount of $2,170,000, which loan financed leasehold improvements in 17,571 square feet of space in a building located at 500 Courtlandt Avenue, Bronx, NY, which currently serves as a site for the following school: Brilla College Prep Middle School (the "Leased Facility 2"); (c) refinancing a taxable loan in the outstanding amount of $2,710,000, which loan financed leasehold improvements in 20,700 square feet of space in a building located at 413 E 144th Street, Bronx, NY, which currently serves as a site for Brilla College Prep Elementary School (the "Leased Facility 3" and together with the Leased Facility 1 and the Leased Facility 2, the "Leased Facilities"); (d) funding a debt service reserve fund; and (e) paying for certain costs and expenses associated with the issuance of the Bonds.

Promissory Note shall have the meaning assigned to that term in the Loan Agreement.

Purchase Price shall have the meaning assigned to that term in the Indenture.

Secured Principal Amount shall mean $2,235,000.

Security Documents shall have the meaning assigned to that term in the Indenture.

State shall mean the State of New York.

Sublease Agreement shall mean collectively, that certain Sublease between the Institution and the Organization, dated as of January 17, 2013, as amended by that certain First Amended and Restated Sublease, dated as of July 1, 2018, as the same may be amended from time to time.

Section 1.2. Construction. In this Mortgage, unless the context otherwise requires:

(a) The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Mortgage, refer to this Mortgage, 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 Mortgage, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Mortgage, 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 Mortgage.

(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).

(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 OF DEBTOR

Section 2.1. Representations and Warranties of Debtor. The Debtor does hereby represent and warrant that:

(a) The Debtor is a not-for-profit corporation duly organized under the laws of the state set forth on the cover page of this Mortgage, is validly existing and in good standing under the laws of its state of organization, 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 certificate of incorporation or by-laws, has the requisite corporate power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Mortgage and each other Project Document to which it is or shall be a party.

(b) The execution, delivery and performance of this Mortgage and each other Project Document to which the Debtor 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 certificate of incorporation or by-laws of the Debtor, or any indenture, agreement or other instrument to which the Debtor is a party or by which it or any of its property is bound or to which it or any of its property is subject, (y) be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or (z) result in the imposition of any lien, charge or encumbrance of any nature whatsoever other than Permitted Encumbrances.

(c) There is no action or proceeding pending or, to the best of the Debtor's knowledge, after diligent inquiry, threatened by or against the Debtor by or before any court or administrative Issuer that would adversely affect the ability of the Debtor to perform its obligations under this Mortgage or any other Project Document to which it is or shall be a party.

(d) The Debtor has obtained all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by the Debtor as of the Closing Date in connection with the execution and delivery of this Mortgage and each other Project Document to which the Debtor is a party or in connection with the performance of the obligations of the Debtor hereunder and under each of the Project Documents.

(e) This Mortgage and the other Project Documents to which the Debtor is a party (x) have been duly authorized by all necessary action on the part of the Debtor, (y) have been duly executed and delivered by the Debtor, and (z) constitute the legal, valid and binding obligations of the Debtor, enforceable against the Debtor in accordance with their respective terms.

(f) The assumption by the Debtor of its obligations hereunder will result in a direct financial benefit to the Debtor.

(g) The Debtor has power to enter into and perform this Mortgage, to create, pledge and grant the mortgage, pledge, assignment and security interest in the Mortgaged Property as provided in this Mortgage, and to own its property and assets.

(h) The Debtor is vested with good and marketable leasehold title to the Facility Realty, subject to no mortgage, lien, charge, pledge, assignment, security interest, conditional sale agreement or encumbrance of any kind whatsoever, other than Permitted Encumbrances.

(i) The Debtor is, as of the Closing Date, and after giving effect to all instruments evidencing or securing the Obligations will be, in a solvent condition.

(j) The execution and delivery of this Mortgage does not constitute a "fraudulent conveyance" within the meaning of Title 11 of the United States Code as so constituted or under any other applicable law.

(k) No bankruptcy or insolvency proceedings are pending or contemplated by or, to the best knowledge of the Debtor, against, the Debtor.

(l) This Mortgage does not give any Person other than the Mortgagee the right to payment of the Obligations.

(m) The Debtor is duly authorized to mortgage and grant a security interest in the Mortgaged Property, and this Mortgage is a first lien upon the Mortgaged Property, subject only to Permitted Encumbrances.

ARTICLE III

GENERAL AGREEMENTS OF DEBTOR

Section 3.1. Payment, Performance, Observance and Compliance. The Debtor agrees to pay, perform, observe and comply with such of the Obligations to which it shall be subject (including this Mortgage) upon the terms and provisions required of the Debtor therein.

Section 3.2. Acknowledgment of Amount Due. The Debtor shall, upon request, furnish to the Mortgagee, in person within five (5) days, or, by mail within ten (10) days, a written statement duly acknowledged of the amount due under this Mortgage and whether any offsets or defenses exist against the Obligations.

Section 3.3. Security Agreement. This Mortgage is and shall be deemed to be a security agreement under the New York State Uniform Commercial Code with respect to the Mortgaged Property, and the Mortgagee shall have all the rights of a secured party thereunder with respect to that part of the Mortgaged Property that constitutes personal property subject thereto (sometimes referred to herein as the "Secured Property"). Upon request by the Mortgagee, Debtor, at its sole cost and expense, shall execute and deliver to the Mortgagee any security agreement, financing or continuation statement or other document the Mortgagee reasonably deems necessary to protect or perfect its lien on the Mortgaged Property. If the Debtor shall default under this Mortgage, the Mortgagee, in addition to any other rights and remedies that it may have, shall have and may exercise immediately and without demand any and all rights and remedies granted to a secured party upon default under the New York State Uniform Commercial Code, including the right to take possession of the Secured Property or any part thereof or indicia thereof, and to take such other measures as the Mortgagee may deem necessary for the care, protection and preservation of the Secured Property. Upon request or demand of the Mortgagee, the Debtor shall, at the Debtor's sole cost and expense, assemble the Secured Property and make it available to the Mortgagee at a convenient place acceptable to the Mortgagee. The Debtor shall pay to the Mortgagee on demand all costs and expenses, including reasonable legal expenses and attorneys' fees and expenses, incurred or paid by the Mortgagee in protecting its interest in the Secured Property and in enforcing its rights hereunder with respect to the Secured Property. Any notice of sale, other disposition, or other intended action by the Mortgagee with respect to the Secured Property sent to the Debtor in accordance with the provisions of this Mortgage at least seven (7) days prior to the date of any such sale, other disposition, or other intended action set forth or specified in the notice shall conclusively be deemed to be commercially reasonable within the meaning of the New York State Uniform Commercial Code unless objected to in writing by the Debtor within five (5) days after receipt by the Debtor of the notice. The proceeds of any sale or other disposition of the Secured Property, or any part thereof, shall be applied to the payment of the Obligations as provided in Section 5.17.

Section 3.4. Ownership; Instruments of Further Assurance. The Mortgagee on behalf of the Debtor (at the sole cost and expense of the Debtor) shall defend the leasehold title of the Debtor to the Mortgaged Property and every part thereof and the Debtor agrees to warrant and defend such leasehold title against the claims and demands of all Persons

whomsoever. The Debtor covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, at the sole cost and expense of the Debtor, such supplements hereto and such further acts, instruments and transfers as the Mortgagee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Mortgagee all and singular the property herein described and subject to the lien and security interest of this Mortgage and those revenues pledged hereby and by the Indenture to the payment of the Obligations. Any and all property hereafter acquired (other than the Institution's Property) which is of the kind or nature herein provided to be and become subject to the lien and security interest hereof shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Mortgagee, become and be subject to the lien and security interest of this Mortgage as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Debtor heretofore made by this Section 3.4.

Section 3.5. Creation of Liens; Indebtedness; Sale of Facility. The Debtor covenants that this Mortgage is and will be a first lien upon the Mortgaged Property, subject only to Permitted Encumbrances. The lien of the Indenture is subject and subordinate to the lien of this Mortgage. The Debtor shall not create or suffer to be created any lien or charge upon or pledge of the Mortgaged Property or any part thereof, except the lien, charge and pledge created by this Mortgage and the other Permitted Encumbrances. The Debtor shall not incur any indebtedness or issue any evidences of indebtedness, other than the Obligations, secured by a lien on or pledge of the Mortgaged Property, except for Permitted Encumbrances or as set forth in the Master Trust Indenture and Security Agreement and the Loan Agreement. The Debtor further covenants and agrees not to sell, convey, transfer, lease, mortgage or encumber the Facility or any part thereof except as specifically permitted under the Master Trust Indenture and Security Agreement, the Loan Agreement, the Indenture, this Mortgage and the other Permitted Encumbrances, so long as any of the Obligations are Outstanding.

Section 3.6. Release of Property. Reference is made to the provisions of the Loan Agreement, including, without limitation, Sections 3.5 and 8.10 thereof, whereby the Debtor may withdraw from the Facility any Facility Personalty or fixtures or any right-of-way, easement, permit or license or unimproved portion thereof, all upon compliance with the terms and conditions of the Loan Agreement. At the request of the Debtor, and at the sole cost and expense of the Debtor, the Mortgagee shall release from the lien and security interest of this Mortgage and release from the Loan Agreement, such portion of the property of the Facility so withdrawn upon compliance with the provisions of the Loan Agreement and shall confirm any such release.

Section 3.7. Recording and Filing. (a) The Debtor shall cause this Mortgage and all supplements hereto to be recorded (at the sole cost and expense of the Debtor) as a mortgage of real property in the appropriate offices of the Register of The City of New York or in such other offices as may be at the time provided by law as the proper place for the recordation thereof. In addition, the security interest of the Mortgagee, as created by this Mortgage, in the personal property and fixtures and the rights and other intangible interests herein described, shall be perfected by the filing of financing statements by the Debtor, at the sole cost and expense of the Debtor, in the offices of the Secretary of State of the State in the City of Albany, New York, and in the offices of such Register of The City of New York, which

financing statements shall be in accordance with the New York State Uniform Commercial Code - Secured Transactions. All mortgage recording taxes, if any, and filing and recording charges and fees shall be payable by the Debtor.

(b) The Debtor and the Mortgagee acknowledge that, as of the Closing Date,

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

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

(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 Bonds, and because the Bonds are municipal securities with a term that is at least twenty (20) years in duration, there is no need under the Uniform Commercial Code of the State of New York to re-file such financing statements in order to preserve the liens and security interests that they create for the period commencing with the Closing Date and terminating on the thirtieth anniversary of the Closing Date.

Subsequent to the foregoing recordation and filings, if in the Opinion of Counsel to the Debtor (described hereinbelow), to preserve (after the thirtieth (30th) anniversary of the Closing Date) the lien and security interest of this Mortgage, it is necessary to re-record and/or re-index documents, re-file financing statements and/or file continuation statements and/or take any other actions (individually or collectively, the "**Continuation Action(s)**"), then, the Debtor in a timely manner shall: (A) as applicable, (i) prepare and deliver to the Mortgagee all necessary instruments and filing papers, together with remittances equal to the cost of required filing fees and other charges, so that the Mortgagee may perform the Continuation Actions, or (ii) electronically perform the Continuation Actions and deliver to the Mortgagee written certification (upon which the Mortgagee may conclusively rely) that such performance has occurred, specifying the Continuation Actions performed, or (iii) perform some of the Continuation Actions in the manner described in clause "(i)" and the others in the manner described in clause "(ii)"; and (B) deliver or cause to be delivered to the Mortgagee the Opinion of Counsel to the Debtor as described below. The Mortgagee 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 Debtor. In the event the Debtor chooses to have the Mortgagee

perform all or some of the Continuation Actions, as provided in clause "(A)(i)" hereinabove, the Mortgagee shall reasonably promptly perform such Continuation Actions at the Debtor's sole expense. The Debtor shall perform the obligations described hereinabove in clauses "(A)" and "(B)" no later than ten (10) days prior to (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) each fifth (5th) anniversary thereafter, and/or (ii) the date (not covered by clause "(i)") on which a Continuation Action is to be taken to preserve the lien and security interest of this Mortgage.

The Opinion of Counsel to the Debtor shall be addressed to the Debtor and the Mortgagee. Counsel shall deliver successive Opinions of Counsel in respect of (i)(y) the thirtieth (30th) anniversary of the Closing Date, and (z) every five-year period thereafter through the term of the Bonds, and/or (ii) the date of any required Continuation Action not covered by clause "(i)," in each case not later than fifteen (15) days prior to the date on which a Continuation Action is required to be taken. In the Opinion of Counsel to the Debtor, 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 Mortgagee with instruments and papers prepared by the Debtor, or (ii) the Debtor through electronic filing, or (iii) the Mortgagee as to some Continuation Actions, and the Debtor as to the others through electronic filings, all appropriate steps shall have been taken on the part of the Debtor and the Mortgagee then requisite to the maintenance of the perfection of the security interest of the Mortgagee in and to all property and interests which by the terms of this Mortgage are to be subjected to the lien and security interest of this Mortgage.

(d) Any filings with respect to the Uniform Commercial Code financing statements may be made electronically, and the Debtor (which shall be reasonably acceptable to the Master Trustee) shall have the right to designate a company to facilitate the filing of the Uniform Commercial Code financing statements.

(e) The Debtor and the Master Trustee (on behalf of itself and the Bondholders) acknowledge and agree that neither the Issuer nor the Master Trustee, nor any of their respective directors, members, officers, employees, servants, agents, persons under its control or supervision, or attorneys (including Bond Counsel to the Issuer), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(f) All costs (including reasonable attorneys' fees and expenses) incurred in connection with the effecting of the requirements specified in this Section shall be paid by the Debtor.

(g) The Debtor agrees to perform all other acts (including the payment of all fees and expenses) necessary in order to enable the Mortgagee to comply with this Section, and

with Section 7.07 of the Indenture, including but not limited to, providing prompt notice to the Mortgagee of any change in either of the name or address of the Debtor. The Debtor agrees that the Mortgagee, 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 Debtor as necessary at the Debtor's sole cost and expense.

Section 3.8. After-Acquired Property. Except as provided in Section 3.4(d) of the Loan Agreement, all right, title and interest of the Debtor in and to all improvements, betterments, renewals, substitutes and replacements of, and all additions, accessions and appurtenances to, the Mortgaged Property (other than trade fixtures), or any part thereof, hereafter acquired, constructed, assembled or placed by or at the direction of the Debtor on or in the Facility (other than trade fixtures), and all conversions and proceeds of the security constituted thereby, immediately upon such acquisition, construction, assembly, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance or assignment or other act of the Debtor, shall become subject to the security and lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Debtor and specifically described in the Granting Clauses hereof; but at any and all times the Debtor, on demand, will execute, acknowledge, deliver to the Mortgagee and the Debtor will cause to be recorded or filed as provided in Section 3.7, any and all such further assurances and mortgages, conveyances or assignments thereof as the Mortgagee may reasonably require for the purposes of expressly and specifically subjecting the same to the security and lien of this Mortgage.

Section 3.9. Additional Taxes or Charges. If any law or ordinance is enacted or adopted which imposes a tax, either directly or indirectly, on this Mortgage, the Debtor will pay such tax, with interest and penalties thereon, if any. If at any time the United States of America, any state thereof or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to this Mortgage or any of the other Security Documents, the Debtor agree to pay for the same, with interest and penalties thereon, if any. Nothing contained in this Section 3.9 shall obligate the Debtor to indemnify for any income tax liability arising by reason of this Mortgage.

Section 3.10. Notice of Event of Default. The Debtor shall immediately notify the Mortgagee in writing of any Event of Default or any event which with notice and/or lapse of time would constitute an Event of Default under any Security Document. Any notice required to be given pursuant to this Section shall be signed by the Debtor 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 to cure a default, the notice should plainly state this fact.

Section 3.11. Insurance Requirements. In addition to any insurance required pursuant to Section 8.1 of the Loan Agreement, the Debtor does hereby warrant and agree as follows:

(a) At all times throughout the term of this Mortgage, including without limitation during any period of construction, reconstruction or substantial renovation of the Facility, the Debtor shall maintain insurance, or cause there to be maintained insurance, if applicable, with insurance companies licensed to do business in the State, against such risks, loss, damage and liability (including liability to third parties) and for such amounts as are

customarily insured against by other enterprises of like size and type as that of the Debtor. In addition to this general requirement, such insurance shall, for purposes of subsections (b) through (f) of this Section 3.11, include, without limitation, insurance coverage described in paragraphs (i) through (iv) below (hereinafter, "Specific Coverage"):

(i) (A) Property damage insurance, and (B) during any period of construction, reconstruction or substantial renovation of the Facility (to the extent not otherwise covered by property damage insurance), Builders' All Risk Insurance written on "100% builders' risk completed value, non-reporting form" including coverage therein for "completion and/or premises occupancy" and coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, fixtures and other property constituting a part of the Facility against loss or damage to the Facility by all risk of physical loss at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the Issuer, the Debtor or the Master Trustee from becoming a co-insurer of any loss under the insurance policies but in any event in amounts equal to the greater of (A) 110% of the actual replacement value of the Facility as determined by a qualified insurance appraiser or insurer (selected by the Debtor) not less often than once every three years, at the expense of the Debtor, and (B) the principal amount of the Outstanding Bonds; any such insurance may provide that the insurer is not liable to the extent of the first $10,000 with the result that the Debtor is its own insurer to the extent of $10,000 of such risks;

(ii) Boiler and machine property damage insurance in respect of any steam and pressure boilers and similar apparatus located on the Facility from risks normally insured against under boiler and machinery policies and in amounts and with deductibles customarily obtained for similar business enterprises;

(iii) To the extent the Facility may be located in a flood zone, or if otherwise required by federal law, flood certification or flood insurance, to the extent not covered by property damage insurance, in an amount equal to the greater of the full replacement cost or the maximum amount then available under the National Flood Insurance Program; and

(iv) Such other insurance, including revision of the insurance requirements set forth above, in such amounts and against such insurable hazards as the Master Trustee (at the specific written direction of the Majority Holders) from time to time may reasonably require.

(b) All Specific Coverage required by Section 3.11(a) shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State and having an A.M. Best rating of "A" or better. At least once every two Fiscal Years, the Debtor agrees to deliver a certificate of an independent insurance consultant to the Master Trustee which indicates that the insurance then maintained by the Debtor meets the requirements of this Section 3.11 and Section 8.1 of the Loan Agreement.

(c) Each of the policies evidencing the Specific Coverage required above to be obtained shall:

(i) designate the Debtor and the Master Trustee as additional insureds as their respective interests may appear;

(ii) provide that all insurance proceeds with respect to loss or damage to the property of the Facility be endorsed and made payable to the Master Trustee and shall name the Master Trustee as a loss payee under the standard loss payee clause and as a mortgagee under the terms of a standard mortgagee clause, which insurance proceeds shall be paid over to the Master Trustee and deposited in the Renewal Fund;

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

(iv) provide that in respect of the interest of the Master Trustee in such policies, the insurance shall not be invalidated by any action or inaction of the Debtor or any other Person and shall insure the Master Trustee regardless of, and any losses shall be payable notwithstanding, any such action or inaction;

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

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

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

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

(d) The Net Proceeds of any insurance received with respect to any loss or damage to the property of the Facility (except if such Net Proceeds so received for any Loss Event shall be less than $50,000 in which event such Net Proceeds shall be paid directly to the Debtor and applied by the Debtor to the rebuilding, replacement, repair and restoration of the

Facility with any excess to be retained by the Debtor) shall be deposited in the Renewal Fund and applied in accordance with Section 6.2 of the Loan Agreement and the Indenture.

(e) The Debtor shall deliver or cause to be delivered to the Master Trustee the following documents evidencing compliance with the Specific Coverage requirements of this Section 3.11: (i) on or prior to the Closing Date: (A) a broker's certificate of coverage, upon which the Master Trustee may conclusively rely in order to confirm compliance with the requirements of this Section 3.11, confirming that the Debtor, as of the Closing Date, has obtained Specific Coverage in accordance with the requirements of this Section 3.11, and (B) evidence of property insurance and certificates or other evidence of other required insurance and, (ii) as soon as practicable thereafter, duplicate copies of insurance policies and/or binders. At least seven (7) Business Days prior to the expiration of any such policy, the Debtor shall furnish the Master Trustee with evidence that such policy has been renewed or replaced or is no longer required by this Mortgage.

(f) The Debtor shall, at its own cost and expense, make all proofs of loss and take all other steps necessary or reasonably requested by the Master Trustee (upon the specific written direction of the Majority Holders) to collect from insurers for any loss covered by any insurance required to be obtained by this Section 3.11. The Debtor shall not do any act, or suffer or permit any act to be done, whereby any Specific Coverage required by this Section 3.11 would or might be suspended or impaired.

(g) THE DEBTOR ACKNOWLEDGES THAT THE INSURANCE SPECIFIED HEREIN AND IN THE LOAN AGREEMENT IS NOT IN ANY WAY A REPRESENTATION BY THE ISSUER OR THE MASTER TRUSTEE THAT SUCH INSURANCE, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTEREST OF THE DEBTOR.

ARTICLE IV

ASSIGNMENT OF LEASES AND RENTS

Section 4.1. Assignment of Leases and Rents. The Debtor hereby assigns to the Mortgagee the rents, issues and profits of the Facility (other than any amounts paid pursuant to the Loan Agreement) as further security for the payment of the Obligations, and the Debtor grants to the Mortgagee the right to enter upon and to take possession of the Facility for the purpose of collecting the same and to let the Facility or any part thereof, and to apply the rents, issues and profits, after payment of all necessary charges and expenses, on account of the Obligations. This assignment and grant shall continue in effect until the Obligations are paid. The Mortgagee hereby waives the right to enter upon and to take possession of the Facility for the purpose of collecting said rents, issues and profits, and the Debtor shall be entitled to collect and receive said rents, issues and profits and to apply same in payment of the amounts becoming due on the Obligations, operating expenses related to the Facility and other expenses (capital or otherwise) consistent with the purposes of the Debtor until the occurrence of an Event of Default hereunder. The Debtor will not, without the written consent of the Mortgagee, receive or collect rent from any tenant of the Facility or any part thereof for a period of more than one month in advance. Upon the occurrence of an Event of Default hereunder, the Debtor will pay monthly in advance to the Mortgagee, or to any receiver appointed to collect said rents, issues and profits, the fair and reasonable rental value for the use and occupation of the Facility or of such part thereof as may be in the possession of the Debtor, and upon default in any such payment will vacate and surrender the possession of the Facility to the Mortgagee or to such receiver, and in default thereof may be evicted by summary proceedings.

Section 4.2. No Cancellation or Modification of Leases. The Debtor shall not, without the prior written consent of the Mortgagee, make, or suffer to be made, any leases or cancel or modify any leases or accept prepayments of installments of rent for a period of more than one month in advance or further assign the whole or any part of the rents without the prior written consent of the Mortgagee. No lease or contract (other than the Loan Agreement) covering all or any part of the Mortgaged Property shall be valid or effective without the prior written approval of the Mortgagee. The Mortgagee shall have all of the rights against the Debtor of the Mortgaged Property as set forth in Section 291-f of the Real Property Law of New York. In respect of any lease, the Debtor will (i) fulfill or perform each and every provision thereof on its part to be fulfilled or performed; (ii) promptly send copies of all notices of default which either shall send or receive thereunder to the Mortgagee; and (iii) enforce, short of termination thereof, the performance or observance of the provisions thereof. Nothing contained in this Mortgage shall be deemed to impose on the Mortgagee any of the obligations of the lessor under the leases.

Section 4.3. Required Lease Provisions. Subject to Section 4.1, all leases must provide that the tenant thereunder shall pay to the Mortgagee upon an Event of Default hereunder all sums due under the lease upon notice to the tenant from the Mortgagee, and that the Debtor, and any tenant shall, at the Mortgagee's option, furnish the Mortgagee with an estoppel and attornment letter as to the leases in form and substance reasonably acceptable to the Mortgagee.

Section 4.4. Debtor Not to Waive Rents. The Debtor will not waive, release, reduce, discount or otherwise discharge or assign to any Person other than the Mortgagee the leasehold payments, rents, issues and profits of the Facility (other than as contemplated by the Loan Agreement), or cancel, abridge or otherwise modify any lease of all or any part of the Facility. In addition, the Debtor will observe and comply with all of its obligations as lessor under any such lease, will promptly notify the Mortgagee if it receives any default notice thereunder and forward a copy of the default notice to the Mortgagee, and enforce any default thereunder by the tenant. The Debtor shall not, however, terminate any such lease without the prior written consent of the Mortgagee.

Section 4.5. Debtor to Furnish Rent Rolls. The Debtor will furnish to the Mortgagee, within fifteen (15) Business Days after mailing to the Debtor of a written request therefor, a detailed statement in writing, duly sworn, and covering the period of time specified in such request, showing all income derived from the operation of the Facility and all disbursements made in connection therewith, and containing a list of the names of all tenants of the Facility specified in such request, showing all income derived from the operation of the Facility and occupants other than those claiming possession through such tenants, the portion or portions of the Facility occupied by such tenant and occupant, the rents and other charges payable under the terms of their leases or other agreements, and the periods covered by such leases or other agreements.

ARTICLE V

REMEDIES; EVENTS OF DEFAULT

Section 5.1. Protective Action. The Mortgagee (at the direction of the Majority Holders) may take such action as the Mortgagee deems reasonably appropriate upon ten (10) days prior written notice to the Debtor (except that no such prior notice shall be required if in the reasonable judgment of the Mortgagee an emergency condition shall exist that threatens to do severe damage to or destruction of the Facility) to protect the Mortgaged Property or the status or priority of the lien of this Mortgage thereon including, but not limited to, entry upon the Facility to protect it from deterioration or damage, or to cause the Mortgaged Property to be put in compliance with any governmental, insurance rating or contract requirements; dispossession of the Debtor if necessary to remedy an emergency condition; payments of amounts due on liens having priority over this Mortgage if such lien constitutes a default pursuant to this Mortgage; curing any default by the Debtor under any of the Security Documents including this Mortgage; payment of any tax or charge for purposes of assuring the priority or enforceability of this Mortgage if failure to pay such tax by the Debtor is a default pursuant to this Mortgage; obtaining insurance on the Mortgaged Property; or commencement or defense of any legal action or proceeding to assert or protect the validity or priority of the lien of this Mortgage. The Debtor agrees to reimburse the Mortgagee for all expenses in taking any such action, on demand, with interest at a rate being the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate permitted under the applicable usury law, and the amount thereof shall be secured by this Mortgage and shall, to the extent permitted by law, be in addition to the maximum amount of the Obligations heretofore stated.

Section 5.2. Benefit of Section 254 of the Real Property Law. Nothing herein contained shall be construed as depriving the Mortgagee of any right or advantage available under Section 254 of the Real Property Law of the State of New York, but all covenants herein differing therefrom shall be construed as conferring additional and not substitute rights and advantages.

Section 5.3. Sole Discretion of the Mortgagee. Wherever pursuant to this Mortgage, the Mortgagee exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to the Mortgagee, the decision of the Mortgagee to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of the Mortgagee and shall be final and conclusive. Notwithstanding the foregoing, if, pursuant to the terms of the Indenture or this Mortgage, a stated percentage of Holders of the Outstanding Bonds has the right to direct the Mortgagee in the exercise of any such right, such direction shall be final and conclusive, provided that such direction shall not be arbitrary or capricious.

Section 5.4. Recovery of Sums Required To Be Paid. The Mortgagee shall have the right (at the written direction of the Majority Holders) from time to time to take action to recover any sum or sums which constitutes a part of the Obligations as the same becomes due, without regard to whether or not the balance of the Obligations shall be due, and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other

action, for a default or defaults by the Debtor existing at the time such earlier action was commenced.

Section 5.5. Events of Default. Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Debtor to pay any amount that has become due and payable hereunder, and continuance of such failure for a period of two (2) Business Days after written notice has been given to the Debtor specifying the nature of such default by the Mortgagee;

(b) Failure of the Debtor to observe and perform any covenant, condition or agreement hereunder on its part to be performed (except as set forth in Section 5.5(a) above) and (1) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Debtor specifying the nature of such failure by the Mortgagee, or (2) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Debtor 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;

(c) The Debtor 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 (as now or hereafter in effect), (vii) take any action for the purpose of effecting any of the foregoing, or (viii) be adjudicated a bankrupt or insolvent by any court;

(d) A proceeding or case shall be commenced, without the application or consent of the Debtor 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 Debtor 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 Debtor shall be entered in an involuntary case under the Federal Bankruptcy Code (as now or hereafter in effect); the terms "dissolution" or "liquidation" of the Debtor as used above shall not be construed to prohibit any action otherwise permitted by Section 8.20 of the Loan Agreement;

(e) Any representation or warranty made by the Debtor (i) in the application and related materials submitted to the Issuer for approval of the Project or the transactions contemplated by this Mortgage, (ii) herein, (iii) in any other Project Document, or (iv) 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;

(f) The Debtor shall be in default under any other mortgage covering any part of the Mortgaged Property and proceedings shall have been commenced to foreclose such mortgage, whether it be superior or inferior to the lien of this Mortgage; or

(g) An "Event of Default" under any Security Document shall occur and be continuing.

Section 5.6. Remedies Following an Event of Default. Upon the occurrence of an Event of Default hereunder, the Mortgagee may, in addition to any other rights or remedies available to it hereunder or elsewhere, take such action, without notice or demand, as it deems advisable, as directed by the Majority Holders, to protect and enforce its rights against the Debtor and in and to the Mortgaged Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Mortgagee, as directed by the Majority Holders, may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagee:

(a) enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys, and dispossess the Debtor and its agents and servants therefrom, and thereupon the Mortgagee, as directed by the Majority Holders, may:

(1) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct business thereat and therewith;

(2) complete any construction, renovation, rebuilding or repairing of the Mortgaged Property in such manner and form as the Mortgagee deems advisable;

(3) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property;

(4) exercise all rights and powers of the Debtor with respect to the Mortgaged Property, whether in the name of the Debtor or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases, obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof; and

(5) apply the receipts from the Mortgaged Property to the payment of the Obligations in accordance with Section 8.03 of the Indenture;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this

Mortgage for the portion of the Obligations then due and payable, subject to the continuing security and lien of this Mortgage for the balance of the Obligations not then due;

(c) institute proceedings to foreclose the lien of this Mortgage against all or, from time to time, against any part of the Mortgaged Property and to have the same sold under the judgment or decree of a court of competent jurisdiction to the highest bidder, at public or private sale, subject to statutory and other legal requirements, if any, including all right, title and interest, claim and demand therein and thereto and all right of redemption thereof;

(d) sell, assign or transfer the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Debtor therein and right of redemption thereof, pursuant to power of sale or otherwise, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law (provided that ten (10) days notice of sale of the Mortgaged Property shall be deemed reasonable notice) for such price and form of consideration as the Mortgagee may determine or as may be required by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein;

(f) apply for the appointment of or appoint a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for the Obligations and without regard for the solvency of any Person liable for the payment of the Obligations whether or not in connection with an action to foreclose this Mortgage;

(g) take possession of the Mortgaged Property (which shall, to the extent practicable, be assembled and made available to the Mortgagee by the Debtor at such place in New York City or elsewhere as may be required by the Mortgagee) and otherwise exercise any and all of the rights of secured parties under the New York State Uniform Commercial Code-Secured Transactions;

(h) without prejudice to its right to bring an action for foreclosure of this Mortgage, sell the Mortgaged Property, or any part thereof, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, to the extent permitted and pursuant to the procedures provided by applicable law, including, without limitation, Article 14 of the Real Property Actions and Proceedings Law of the State of New York and any amendments or substitute statutes in regard thereto, at one or more sales as a single parcel or in parcels, and at such time and place and upon such terms and after such notice thereof as may be required or permitted by law; or

(i) pursue such other remedies as the Mortgagee may have under applicable law.

Further, the Debtor, if there shall occur an Event of Default, shall pay monthly in advance to the Mortgagee, or to any receiver appointed at the request of the Mortgagee to collect the rents, revenues, issues, income and profits of the Mortgaged Property, the fair and reasonable rental value for the use and occupancy of the Mortgaged Property or of such part thereof as may be in the possession of the Debtor. Upon default in the payment thereof, the Debtor shall vacate

and surrender possession of the Mortgaged Property to the Mortgagee or such receiver, and upon a failure so to do may be evicted by summary proceedings.

If an Event of Default shall happen and be subsisting, in case there shall be pending proceedings for the bankruptcy or for the reorganization of the Debtor under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Debtor or in the case of any other similar judicial proceedings relative to the Debtor, or to the credits or property of the Debtor, the Mortgagee 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 Mortgage, irrespective of whether the principal of the Obligations or any amount hereunder shall then be due and payable as therein or herein expressed or by declaration or otherwise, and irrespective of whether the Mortgagee shall have made any demand pursuant to the provisions of this Section 5.6 or of Section 8.01 of the Indenture, 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 Mortgagee allowed in such judicial proceedings relative to the Debtor, its creditors, or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of their charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Mortgagee, and to pay to the Mortgagee any amount due it for compensation and expenses, including reasonable counsel fees and expenses incurred by it up to the date of such distribution.

Section 5.7. Appointment of a Receiver. Upon the occurrence of an Event of Default, the Mortgagee shall be entitled to the appointment of a receiver. The right to have a receiver appointed shall be a matter of strict right and without regard to the value or adequacy of the security and such receiver may enter upon and take possession of the Mortgaged Property, collect the rents, issues and profits therefrom and apply the same as the court may direct, such receiver to have all of the rights and powers as a receiver may have under the laws of the State of New York. The expenses, including, without limitation, receiver's fees, counsel fees and expenses, costs and agent's commissions and compensation incurred pursuant to the powers herein granted shall be added to the principal portion of the Obligations and secured hereby.

Section 5.8. Foreclosure. In a case of a foreclosure sale or pursuant to any order in any judicial proceeding or otherwise, the Mortgaged Property may be sold as an entirety in one parcel (or as one integrated unit) or separate parcels (or one or more of the interests comprising the Mortgaged Property separately from the others) in such manner or order as the Mortgagee in its sole and absolute discretion may elect. If the Mortgagee so elects it may sell the remainder of the property except for the land, buildings and improvements, at one or more separate sales in the manner provided by the Uniform Commercial Code of the State of New York. One or more exercises of the powers herein granted shall neither extinguish nor exhaust such powers, until the entire property is sold or the Obligations secured hereby are paid in full or otherwise provided for in accordance with their terms.

Section 5.9. Non-Impairment. No provision of this Mortgage: (a) is or shall be deemed to be a release or impairment of any of the Obligations including this Mortgage, (b) shall preclude the Mortgagee, upon the occurrence of an Event of Default hereunder, from

foreclosing this Mortgage or from enforcing its rights hereunder or under any other instrument governing or securing the Obligations, (c) shall preclude or bar the Mortgagee upon foreclosure from obtaining a deficiency judgment against the Debtor, against any subsequent owner of the Mortgaged Property who assumes the Obligations on a non-recourse basis, or against any other Person liable for the payment and performance of the Obligations (subject to the provisions of Section 6.1), (d) shall require the Mortgagee to accept a part of the Mortgaged Property (as distinguished from its entirety) as payment of the debt secured hereby, or (e) shall compel the Mortgagee to accept or allow any apportionment of the debt secured hereby to or among any separate parts of the Mortgaged Property.

Section 5.10. No Remedy Exclusive. No remedy conferred upon or reserved to the Mortgagee hereunder is or shall be deemed to be exclusive of any other available remedy or remedies. Each such remedy shall be distinct, separate and cumulative, shall not be deemed to be inconsistent with or in exclusion of any other available remedy, may be exercised in the discretion of the Mortgagee at any time, in any manner, and in any order, and shall be in addition to and separate and distinct from every other remedy given the Mortgagee under this Mortgage or any other Security Document or now or hereafter existing in favor of the Mortgagee at law or in equity or by statute. Without limiting the generality of the foregoing, the Mortgagee shall have the right to exercise any available remedy to recover any amount due and payable hereunder without regard to whether any other amount is due and payable, and without prejudice to the Mortgagee to exercise any available remedy for other Events of Default existing at the time the earlier action was commenced.

Section 5.11. Delay To Not Constitute Waiver. Any delay, omission or failure by the Mortgagee to insist upon the strict performance by the Debtor of any of the covenants, conditions and agreements herein set forth to be exercised by it or to exercise any right or remedy available to it upon the occurrence of an Event of Default hereunder shall not impair any such right or remedy or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, by injunction or other appropriate legal or equitable remedy, strict compliance by the Debtor with all of the covenants, conditions and agreements herein to be exercised by it, or of the right to exercise any such rights or remedies if such default by the Debtor be continued or repeated. Any failure of the Mortgagee to exercise the option to accelerate the maturity of Obligations secured hereby, or any forbearance by the Mortgagee before or after any exercise of any such option, or any forbearance to exercise any other remedy of the Mortgagee, or any withdrawal or abandonment of the Mortgagee of any of its rights in any one circumstance shall not be construed as a waiver of any option, power, remedy or right of the Mortgagee hereunder. The rights and remedies of the Mortgagee expressed and contained in this Mortgage are cumulative and none of them shall be deemed to be exclusive of any other or of any right or remedy the Mortgagee may now or hereafter have in law or in equity. The election of any one or more remedies shall not be deemed to be an election of remedies under any statute, rule, regulation or case law. The covenants of this Mortgage shall run with the Mortgaged Property and other properties and the estates hereby mortgaged and bind the Debtor and its assigns, legal representatives and successors and shall inure to the benefit of the Mortgagee, its successors and assigns.

Section 5.12. Effect of Discontinuance of Proceedings. In case any proceedings taken by the Mortgagee on account of any Event of Default hereunder shall have

been discontinued or abandoned for any reason, or shall have been determined adversely to the Mortgagee, then and in every such case, the Debtor, the Mortgagee and the Holders of the Bonds shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Mortgagee shall continue as in effect prior to the commencement of such proceedings.

Section 5.13. Marshalling. The Debtor waives and releases any right to have the Mortgaged Property marshalled.

Section 5.14. Actions and Proceedings. The Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding which the Mortgagee, in its discretion, determines to be brought to protect its interest in the Mortgaged Property. The Mortgagee shall further have the right, from time to time, to sue for any sums required to be paid under the terms of this Mortgage or any other mortgage to which this Mortgage is expressly subordinate, as the same become due, without regard to whether or not the principal sums secured or any other sums secured by this Mortgage shall be due and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure or any other action for a default or defaults by the Debtor existing at the time such earlier action was commenced.

Section 5.15. Attorneys' Fees and Other Costs. The Debtor agrees to bear all costs, fees and expenses including court costs and reasonable expenses (including reasonable attorneys' fees and disbursements) for legal services of or incidental to the enforcement of any provisions hereof (whether incurred during the continuance of an Event of Default or by the Mortgagee or any Holders of the Bonds), or enforcement, compromise or settlement of any of the collateral pledged hereunder, and for the curing thereof, or defending or asserting the rights and claims of the Mortgagee in respect thereof, by litigation or otherwise, and will pay to the Mortgagee any such expenses incurred, and such expenses shall be deemed part of the Obligations secured by this Mortgage and shall be collectible in like manner as the Obligations secured by this Mortgage, and until so paid shall bear interest at a rate being the lesser of (i) eighteen percent (18%) per annum or (ii) the highest rate permitted under the applicable usury law. All rights and remedies of the Mortgagee shall be cumulative and may be exercised singly or concurrently.

Section 5.16. No Additional Waiver Implied by One Waiver. In the event any covenant or agreement contained in this Mortgage should be breached by the Debtor and thereafter waived by the Mortgagee, 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 Mortgagee. No course of dealing between the Issuer and/or the Debtor and/or any other Person or any delay or omission on the part of the Mortgagee in exercising any rights hereunder shall operate as a waiver.

Section 5.17. Application of Proceeds. All proceeds derived through the exercise of any remedies or the commencement of any proceedings under this Mortgage shall be applied in accordance with Section 8.03 of the Indenture.

Section 5.18. Waiver of Moratorium. The Debtor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, or the exemption from execution from sale of any or all of the property, now or any time hereafter enacted or enforced, nor claim, take or insist upon the benefit of any law now or hereafter enacted or enforced providing for the valuation or appraisal of the Mortgaged Property or any part thereof prior to any sale or sales thereof which may be made pursuant to any provisions herein or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted or enforced to redeem the property so sold or any part thereof. The Debtor, to the extent permitted by law, hereby expressly waives the benefit or advantage of any such law or laws and covenants not to delay or impede the execution of any power herein granted or delegated to the Mortgagee.

Section 5.19. Waiver of Notice. The Debtor shall not be entitled to any notices of any nature whatsoever from the Mortgagee except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by the Mortgagee to the Debtor, and the Debtor hereby expressly waives the right to receive any notice from the Mortgagee with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of such notice.

ARTICLE VI

LIMITATIONS ON LIABILITY

Section 6.1. No Liability of Debtor's Members, Managers, Officers, Directors, Employees and Agents. It is agreed that the members, managers, directors, officers, employees and agents of the Debtor shall have no personal liability hereunder. All covenants, stipulations, promises, agreements and obligations of the Debtor contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Debtor and not of any member, manager, director, officer, employee or agent of the Debtor in his individual capacity, and no recourse shall be had hereunder for the payment of the principal of any debt or interest thereon or any of the Obligations or for any claim based thereon or hereunder against any member, manager, director, officer, employee or agent of the Debtor or any natural person executing this Mortgage.

Section 6.2. Usury Laws. This Mortgage and all other Security Documents are subject to the express condition that at no time shall the Issuer or the Debtor be obligated or required to pay interest on the principal balance due under the Obligations at a rate which could subject the holder of the Obligations to either civil or criminal liability as a result of being in excess of the maximum interest rate which the Issuer or the Debtor, as applicable, is permitted by law to contract or agree to pay. If by the terms of this Mortgage or any of the other Security Documents, the Issuer or the Debtor is at any time required or obligated to pay interest on the principal balance due under the Obligations at a rate in excess of such maximum rate, the rate of interest under the Obligations shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate.

ARTICLE VII

MISCELLANEOUS

Section 7.1. Applicability of Section 13 of the Lien Law. This Mortgage is given in order to secure funds to pay for the Project and by reason thereof, it is intended that this Mortgage shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon the Mortgaged Property subsequent to the recordation hereof. The Debtor shall, therefore, in compliance with Section 13 of the New York Lien Law, receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of the improvements of the Facility Realty and shall apply the same first to the payment of the cost of the improvements of the Facility Realty before using any part of the total of the same for any other purpose.

Section 7.2. No Merger. It is the intention of this Mortgage that if the Mortgagee shall at any time hereafter acquire title to all or any portion of the Mortgaged Property, or any interest therein or lien thereon under any other mortgage or instrument, then, and until the Obligations have been paid in full or otherwise discharged or satisfied in accordance with their terms, the interest of the Mortgagee hereunder and the security interest created by this Mortgage shall not merge or become merged in or with the estate and interest of the Mortgagee as the holder and owner of title to all or any portion of the Mortgaged Property, or in or with the interest of the Mortgagee under or the lien of such other mortgage or instrument, and that, until such payment, discharge or satisfaction, the estate of the Mortgagee in the Mortgaged Property and the security interest created by this Mortgage and the interest of the Mortgagee hereunder shall continue in full force and effect to the same extent as if the Mortgagee had not acquired title to all or any portion of the Mortgaged Property or any other interest therein or lien thereon. If, however, the Mortgagee shall consent to such merger or if such merger shall nevertheless occur without its consent, then this Mortgage shall attach to, and cover and be a conveyance of the fee title or any other estate, title or interest in the Mortgaged Property acquired by the Debtor, and the same shall be considered as granted, released, assigned, transferred, pledged, conveyed and set over to the Mortgagee and this Mortgage spread to cover such estate with the same force and effect as though specifically herein granted, released, assigned, transferred, pledged, conveyed, set over and spread, provided, however, the Debtor shall pay any and all transfer, recording or other taxes in connection therewith.

Section 7.3. This Mortgage Constitutes A Commercial Transaction. THE DEBTOR ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS MORTGAGE IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY VOLUNTARILY AND KNOWINGLY WAIVES, TO THE EXTENT PERMITTED BY LAW, ITS RIGHTS TO NOTICE AND HEARING AS ALLOWED UNDER ANY STATE OR FEDERAL LAW OR OTHER RIGHT WITH RESPECT TO ANY PREJUDGMENT REMEDY OR OTHER RIGHT WHICH THE MORTGAGEE MAY DESIRE TO USE. FURTHER, THE DEBTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL PRESENT AND FUTURE VALUATION, APPRAISEMENT, HOMESTEAD, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS.

Section 7.4. Consents. Wherever in this Mortgage the prior consent of the Mortgagee is required, the consent of the Mortgagee given as to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. Any such consents shall be in writing.

Section 7.5. Service of Process. The Debtor 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 Debtor under this Mortgage shall be satisfied and met. If for any reason the Debtor should cease to be so subject to service of process in the State, the Debtor hereby irrevocably consents to the service of all process, pleadings, notices or other papers in any judicial proceeding or action by designating and appointing the Chief Financial Officer of the Debtor at 441 East 148th Street, Bronx, New York 10455, as its agent upon whom may be served all process, pleadings, notices or other papers which may be served upon the Debtor as a result of any of its obligations under this Mortgage. If such appointed agent shall cease to act or otherwise cease to be subject to service of process in the State, the Debtor 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 Debtor as a result of any of its obligations under this Mortgage; provided, however, that the service of such process, pleadings, notices or other papers shall not constitute a condition to the Debtor's obligations hereunder.

For such time as any of the obligations, covenants and agreements of the Debtor under this Mortgage remain unsatisfied, the Debtor's agent(s) designated in this Section 7.5 shall accept and acknowledge on the Debtor's behalf each service of process in any such suit, action or proceeding brought in any such court. The Debtor agrees and consents that each such service of process upon such agents and written notice of such service to the Debtor in the manner set forth in Section 7.6 shall be taken and held to be valid personal service upon the Debtor whether or not the Debtor 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 Debtor 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 Debtor or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Debtor.

Section 7.6. Notices. All notices, requests, consents, demands and other communications to any party hereunder or any other Person specified herein shall be in writing (including bank wire, telecopy or similar writing) and shall be given to such party or other Person, addressed to it, at its address or telecopy number set forth below or such other address or telecopy number as such party or other Person may hereafter specify for the purpose by notice to the other parties or such other Persons. Each such notice, request, consent or demand or other communication shall be if sent (i) by registered or certified United States mail, return receipt requested and postage prepaid, (ii) by a nationally recognized overnight delivery service for overnight delivery, charges prepaid or (iii) by hand delivery, addressed, as follows:

Party	Address
To the Debtor	Seton Education Partners 441 East 148th Street Bronx, New York 10455 Attention: Chief Financial Officer with a copy to Hunton Andrews Kurth LLP 600 Travis Street Houston, TX 77002 Attention: Thomas A. Sage, Esq
To the Issuer	Build NYC Resource Corporation One Liberty Plaza New York, New York 10006 Attention: General Counsel (with a copy to the Executive Director of the Issuer at the same address)
To the Master Trustee	The Bank of New York Mellon 240 Greenwich Street, Floor 7E New York, New York 10286 Attention: Corporate Trust Administration

Any party hereunder 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 7.7. Consent to Jurisdiction. The Debtor irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of this Mortgage or any other Project Document, the Facility, the Project, the relationship between the Issuer and the Debtor, the Debtor'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 (w) to move to dismiss on grounds of

forum non conveniens, (x) to remove to any federal court other than the United States District Court for the Southern District of New York, and (y) to move for a change of venue to a New York State Court outside New York County.

If the Debtor commences any action against the Mortgagee 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 Debtor shall, upon request from the Mortgagee, 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 Debtor 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 7.8. Mortgage for Benefit of Issuer, Debtor and Master Trustee. The covenants and agreements contained in this Mortgage (including all indemnities set forth herein) shall run with the land and bind the Debtor and its heirs, executors, administrators, legal representatives, successors and assigns and each Person constituting the Debtor, and all subsequent owners, encumbrancers and tenants of the Mortgaged Property, or any part thereof, and shall inure to the benefit of the Issuer and the Master Trustee, their respective successors and assigns, and all subsequent beneficial owners of this Mortgage, and survive the foreclosure of this Mortgage.

Section 7.9. Authorization. The execution of this Mortgage has been duly authorized by the appropriate governing body of the Debtor.

Section 7.10. Amendments and Modifications. This Mortgage shall be amended, modified or supplemented only by a written agreement executed by the Debtor and the Mortgagee and, in any event, only in accordance with the Indenture.

Section 7.11. Applicable Law. This Mortgage shall be governed by and construed 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 7.12. Date of Mortgage for Reference Purposes Only. The date of this Mortgage shall be for reference purposes only and shall not be construed to imply that this Mortgage was executed on the date first above written. This Mortgage was executed and delivered on the Closing Date.

Section 7.13. Incorporation of Certain Indenture Provisions. All provisions of Article IX of the Indenture shall be construed as extending to and including all of the rights, duties and obligations imposed upon the Master Trustee under this Mortgage as fully and for all purposes as if said Article IX were contained in this Mortgage.

Section 7.14. Entire Agreement; Counterparts. This Mortgage constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof (other than any Project Documents)

and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 7.15. Severability. If any one or more of the provisions of this Mortgage 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 of this Mortgage, but this Mortgage shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

Section 7.16. Waiver of Jury Trial. The Debtor hereby expressly waives, to the extent permitted by law, the right to assert a counterclaim in any action or proceeding brought against it by the Mortgagee, and waives, to the extent permitted by law, all rights to a trial by jury on any cause of action or proceeding brought by any party hereto against the other or in any counterclaim asserted by the Mortgagee against the Debtor, or in any matters whatsoever arising out of or in any way connected with this Mortgage or the Obligations, the Debtor's obligations hereunder, the Facility, the Mortgaged Property, the Project, the relationship between the Issuer and the Debtor, the Debtor's ownership, use or occupancy of the Facility and/or any claim for injury or damages.

Section 7.17. Property Not Covered. This Mortgage does not cover property principally improved or to be improved by one or more structures containing in the aggregate not more than six individual residential dwelling units, each having its own separate cooking facilities.

Section 7.18. Assignment of Mortgage. Upon the execution and delivery by the Issuer of the Assignment of Mortgage, all references within this Mortgage to the "Mortgagee" shall be deemed to refer to the Master Trustee.

IN WITNESS WHEREOF, the Debtor has duly executed this Mortgage as of the date first above written.

SETON EDUCATION PARTNERS, as Debtor

By:_____
Name: Matthew Salvatierra
Title: Chief Financial Officer

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

On the ____ day of November, in the year two thousand twenty-one, before me, the undersigned, personally appeared **Matthew Salvatierra**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

_____
Notary Public

EXHIBIT A

DESCRIPTION OF LAND

PARCEL III, BLOCK 2289 LOT 75

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

BEGINNING at a point on the northerly right of way of E. 144th Street (60' wide), distant 123.67 feet from the easterly corner formed by the intersection of said northerly right of way of E. 144th Street and the easterly right of way of Willis Avenue (100' wide);

THENCE RUNNING with and binding on the west line of said Lot 75, N05°12'25"E along the westerly face of the building and through the brick privacy wall located on said Lot 75, a distance of 99.90 feet to the northwest corner of said Lot 75;

THENCE RUNNING with and binding on the northerly lines of said Lot 75 the following three (3) courses:

1. S84°47'39"E a distance of 25.03 feet;

2. S05°09'56"W a distance of 5.00 feet;

3. S84°47'39"E a distance of 50.14 feet to the northeast corner of said Lot 75;

THENCE RUNNING with and binding on the east line of said Lot 75, S05°15'26"W along the easterly face of a brick privacy wall and the easterly face of the building located on said Lot 75, .a distance of 94.90 feet to the southeast corner of said Lot 75 and said northerly right of way of E. 144th Street;

THENCE RUNNING with and binding on the south line of said Lot 75, N 84°47'39"W along said northerly right of way of E. 144th Street a distance of 75.08 feet to the Point Of BEGINNING.

EXHIBIT B

DESCRIPTION OF FACILITY PERSONALTY

The acquisition of fixtures and other equipment for incorporation or use at the building located at 413 East 144th Street, Bronx, New York, financed with the proceeds of the Build NYC Resource Corporation Revenue Bonds (Seton Education Partners - Brilla Project), Series 2021, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefore, and all parts, additions and accessories incorporated therein or affixed thereto and shall include all property substituted for or replacing items and exclude all items so substituted for or replaced, and further exclude all items removed as provided in the Indenture and the Loan Agreement

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FORM OF BOND COUNSEL OPINION

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APPENDIX H

FORM OF BOND COUNSEL OPINION

Upon the delivery of the Series 2021 Bonds, Bond Counsel to the Issuer proposes to issue its approving opinion in substantially the following form:

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November 23, 2021

Build NYC Resource Corporation
New York, New York

Re: $14,595,000
Build NYC Resource Corporation
Tax-Exempt Revenue Bonds, Series 2021A (Seton Education Partners – Brilla Project)

$650,000
Build NYC Resource Corporation
Taxable Revenue Bonds, Series 2021B (Seton Education Partners – Brilla Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Build NYC Resource Corporation (New York, New York) (the "**Issuer**"), in connection with the issuance on the date hereof by the Issuer of its Tax-Exempt Revenue Bonds, Series 2021A (Seton Education Partners – Brilla Project) in the aggregate principal amount of $14,595,000 (the "**Tax-Exempt Bonds**") and its Taxable Revenue Bonds, Series 2021B (Seton Education Partners – Brilla Project) (the "**Taxable Bonds**"; and, together with the Tax-Exempt Bonds, the "**Initial Bonds**") in the aggregate principal amount of $650,000. The Initial Bonds are authorized to be issued pursuant to:

(i) Section 1411 of the New York Not-for-Profit Corporation Law (the "**Act**"),

(ii) the Bond Resolution duly adopted by the Issuer adopted on April 27, 2021 (the "**Resolution**"), and

(iii) the Indenture of Trust, dated as of November 1, 2021 (the "**Indenture**"), by and between the Issuer and The Bank of New York Mellon, as trustee for the benefit of the Owners of the Initial Bonds (the "**Trustee**").

The Initial Bonds are being issued to finance or refinance the costs of the acquisition of certain Facilities (as defined in the Loan Agreement referenced below) (collectively, the "**Project**").

The Issuer will loan the proceeds of the Initial Bonds to Seton Education Partners (the "**Institution**"), a not-for-profit corporation duly organized and existing under the laws

of the State of Wyoming, pursuant to the terms of a Loan Agreement, dated as of November 1, 2021 (the "**Loan Agreement**"), between the Issuer and the Institution. The Institution has evidenced its obligation to make loan payments to the Issuer by the issuance and delivery of certain Promissory Notes, each dated November 23, 2021 (collectively, the "**Note**"), each from the Institution to the Issuer and endorsed by the Issuer to the Trustee.

The Institution leases the Facilities (as defined in the Loan Agreement) from various unrelated landlords pursuant to (a) that certain Lease between the Institution and Roman Catholic Church of St. Nicholas of Tolentine, dated as of October 1, 2019 (as amended), (b) that certain Lease between the Institution and Roman Catholic Church of Saint Rita of Cascia and Saint Pius V, successor by merger to Church of St. Pius, Borough of Bronx, N.Y. City, dated as of January 17, 2013 (as amended), and (c) that certain Lease between the Institution and Roman Catholic Church of Saint Rita of Cascia and Saint Pius V, successor by merger to Church of St. Pius, Borough of Bronx, N.Y. City, dated as of August 1, 2016, as amended. The Institution further subleases the Facilities (as defined in the Loan Agreement) to Brilla College Preparatory Charter Schools (the "**Organization**"), pursuant to (i) with respect to the Andrews Avenue North Facility, that certain Sublease between the Institution and the Organization, dated as of January 9, 2020, (ii) with respect to the Courtland Avenue Facility, that certain Sublease between the Institution and the Organization, dated as of November 15, 2016, as amended and restated pursuant to that certain First Amended and Restated Sublease, dated July 1, 2018, and (iii) with respect to the East 144th Street Facility, that certain Sublease between the Institution and the Organization, dated as of January 17, 2013, as amended by that certain First Amended and Restated Sublease, dated as of July 1, 2018 (collectively, the "**Subleases**"), between the Institution and the Organization, and the Organization will operate the Facilities as a public charter school (all as defined in the Loan Agreement). The Issuer, the Trustee and the Organization will enter into a Use Agreement, dated as of November 1, 2021 (the "**Use Agreement**") where the Organization will make certain covenants for the benefit of the Issuer and the Trustee.

The Institution has granted mortgage liens on and security interests in its leasehold interest in the Facilities to the Issuer and the Bank of New York Mellon, as master trustee (the "**Master Trustee**"), pursuant to a Leasehold Mortgage and Security Agreement (Andrews Avenue North Facility), a Leasehold Mortgage and Security Agreement (Courtland Avenue Facility), and a Leasehold Mortgage and Security Agreement (East 144th Street Facility), each dated as of November 1, 2021 (collectively, the "**Mortgage**"), and each from the Institution to the Issuer and the Master Trustee and the Issuer has assigned to the Master Trustee as security for the Initial Bonds, for the benefit of the Owners of the Initial Bonds, all of its rights under the Mortgage pursuant to an Assignment of Leasehold Mortgage and Security Agreement (Andrews Avenue North Facility), an Assignment of Leasehold Mortgage and Security Agreement (Courtland Avenue Facility), and an Assignment of Leasehold Mortgage and Security Agreement (East 144th Street Facility), each dated as of November 23, 2021 (collectively, the "**Assignment of Mortgage**"), each from the Issuer to the Master Trustee.

The Issuer, the Institution and the Organization have entered into a Tax Regulatory Agreement, dated the date hereof (the "**Tax Regulatory Agreement**"), in which the Issuer, the Institution and the Organization have made certain representations and covenants, established certain conditions and limitations and created certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended (the "**Code**"). RBC Capital Markets, LLC (the "**Underwriter**") has agreed to purchase the Initial Bonds pursuant to the terms of a Bond Purchase Agreement, dated November 10, 2021 (the "**Bond Purchase Agreement**"), among the Issuer, the Underwriter, the Institution and the Organization.

Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned thereto in Section 1.01 of the Indenture.

The Initial Bonds are dated the date hereof, and bear interest from the date thereof pursuant to the terms of the Initial Bonds. The Initial Bonds are subject to prepayment or redemption prior to maturity, as a whole or in part, at such time or times, under such circumstances and in such manner as is set forth in the Initial Bonds and the Indenture.

As bond counsel, we have examined originals or copies, certified or otherwise identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the Record of Proceedings with respect to the issuance of the Initial Bonds) as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination, we have assumed the genuineness of all signatures, the authenticity and due execution of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, without having conducted any independent investigation, we have relied upon, and assumed the accuracy and truthfulness of, the aforesaid instruments, certificates and documents.

In rendering the opinions set forth below, we have relied upon, among other things, certain representations and covenants made by the parties in this transaction including: (i) the Institution in (a) the Bond Purchase Agreement; (b) the Tax Regulatory Agreement; (c) the Loan Agreement; (d) the Letter of Representation and Indemnification, dated of even date herewith; and (e) the Continuing Disclosure Agreement, dated the date hereof (the "**Continuing Disclosure Agreement**"), among the Institution, the Organization, the Trustee and Digital Assurance Certification, L.L.C.; (f) the Master Trust Indenture dated as of November 1, 2021 between the Institution and the Master Trustee; and (f) the Bond Counsel Due Diligence Questionnaire submitted to us by the Institution and the Organization, as amended and supplemented; (ii) the Organization in (a) the Bond Purchase Agreement; (b) the Tax Regulatory Agreement; (c) the Use Agreement; (d) the Letter of Representation and Indemnification, dated of even date herewith; and (e) the Continuing Disclosure Agreement; and (f) the Bond Counsel Due Diligence Questionnaire submitted to us by the Institution and the Organization, as amended and supplemented; and (iii) the Issuer in (a) the Indenture; (b) the Tax Regulatory Agreement; (c) the Loan Agreement; (d) the Assignment of Mortgage; (e) the Certificate of Determination, dated

the date hereof; and (f) the General Certificate of the Issuer, dated the date hereof. We call your attention to the fact that there are certain requirements with which the Issuer, the Institution and the Organization must comply after the date of issuance of the Tax-Exempt Bonds in order for the interest on the Tax-Exempt Bonds to remain excluded from gross income for Federal income tax purposes. Copies of the aforementioned documents are included in the Record of Proceedings or on file with Bond Counsel.

In addition, in rendering the opinions set forth below, we have relied upon the opinions of the General Counsel of the Issuer, Meredith J. Jones, Esq., special counsel to the Institution and the Organization, Hunton Andrews Kurth LLP, Houston, Texas, special Wyoming counsel to the Institution, Kutak Rock LLP, Denver, Colorado, special corporate counsel to the Organization, Couch White, LLP, Albany, New York and counsel to the Trustee, Paparone Law PLLC, New York, New York, all of even date herewith. Copies of the aforementioned opinions are contained in the Record of Proceedings.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Issuer is a duly organized and existing corporate entity constituting a local development corporation of the State of New York.

2. The Issuer is duly authorized to issue, execute, sell and deliver the Initial Bonds, for the purpose of paying the costs described above.

3. The Resolution has been duly adopted by the Issuer and is in full force and effect.

4. The Indenture, the Tax Regulatory Agreement, the Loan Agreement, the Assignment of Mortgage, the Use Agreement and the Bond Purchase Agreement (collectively, the "**Issuer Documents**") have been duly authorized, executed and delivered by the Issuer.

5. Assuming the due authorization, execution and delivery of the Issuer Documents by the other parties thereto, the Issuer Documents are legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms.

6. The Initial Bonds have been duly authorized, executed and delivered by the Issuer and are legal, valid and binding special obligations of the Issuer payable solely from the revenues derived from the Loan Agreement, enforceable against the Issuer in accordance with their respective terms.

7. The Initial Bonds do not constitute a debt of the State of New York or of The City of New York and neither the State of New York nor The City of New York will be liable thereon.

8. The Code sets forth certain requirements which must be met subsequent to the issuance and delivery of the Tax-Exempt Bonds for interest thereon to be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements could cause the interest on the Tax-Exempt Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds. Pursuant to the Indenture, the Loan Agreement, the Use Agreement and the Tax Regulatory Agreement, the Issuer, the Institution and the Organization have covenanted to maintain the exclusion from gross income of the interest on the Tax-Exempt Bonds pursuant to Section 103 of the Code. In addition, the Issuer, the Institution and the Organization have made certain representations and certifications in the Indenture, the Loan Agreement, the Use Agreement and the Tax Regulatory Agreement. We are also relying on the opinion of counsel to the Institution and the Organization as to all matters concerning the status of the Institution and the Organization as organizations described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code, and that the intended use of the facilities financed or refinanced with proceeds of Tax-Exempt Bonds will be in furtherance of the Institution's and the Organization's exempt purposes under Section 501(c)(3) of the Code. We have not independently verified the accuracy of those certifications and representations or those opinions.

Under existing law, assuming compliance with the tax covenants described herein and the accuracy of the aforementioned representations and certifications, interest on the Tax-Exempt Bonds is excluded from gross income for Federal income tax purposes under Section 103 of the Code. We are also of the opinion that such interest is not treated as a preference item in calculating the alternative minimum tax imposed under the Code.

9. Under existing law, interest on the Tax-Exempt Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision of the State of New York (including The City of New York), assuming compliance with the tax covenants and the accuracy of the representations and certifications described in paragraph 8 herein.

10. Interest on the Taxable Bonds is not excluded from gross income for Federal income tax purposes under Section 103 of the Code.

11. Interest on the Taxable Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Except as stated in paragraphs 8, 9, 10 and 11, we express no opinion as to any other Federal, state or local tax consequences of the ownership or disposition of the Initial Bonds. Furthermore, we express no opinion as to any Federal, state or local tax law consequences with respect to the Initial Bonds, or the interest thereon, if any action is taken with respect to the Initial Bonds or the proceeds thereof upon the advice or approval of other counsel.

The foregoing opinions are qualified to the extent that the enforceability of the Initial Bonds, the Indenture, the Loan Agreement, the Use Agreement, the Tax Regulatory Agreement, the Assignment of Mortgage and the Bond Purchase Agreement may be limited by bankruptcy, insolvency or other laws or enactments now or hereafter enacted by the State of New York or the United States affecting the enforcement of creditors' rights and by restrictions on the availability of equitable remedies and to the extent, if any, that enforceability of the indemnification provisions of such documents may be limited under law. We express no opinion with respect to the availability of any specific remedy provided for in any of the bond documents.

In rendering the foregoing opinions, we are not passing upon and do not assume any responsibility for the accuracy, completeness, sufficiency or fairness of any documents, information or financial data supplied by the Issuer, the Institution, the Organization or the Trustee in connection with the Initial Bonds, the Indenture, the Loan Agreement, the Use Agreement, the Mortgage, the Tax Regulatory Agreement, the Assignment of Mortgage, the Continuing Disclosure Agreement, the Bond Purchase Agreement, the Master Trust Indenture, Supplemental Indenture for Obligation No. 1, the Leases, the Subleases and the Project, and we make no representation that we have independently verified the accuracy, completeness, sufficiency or fairness of any such documents, information or financial data.

We express no opinion with respect to the registration requirements under the Securities Act of 1933, as amended, the registration or qualification requirements under the Trust Indenture Act of 1939, as amended, the registration, qualification or other requirements of State Securities laws or the availability of exemptions therefrom.

We express no opinion as to the sufficiency of the description of the Facility Realty or the Facility Personalty contained in the Loan Agreement or as to the adequacy, perfection or priority of any security interest in any collateral securing the Initial Bonds.

We express no opinion with respect to whether the Issuer, the Institution or the Organization (i) have complied with environmental laws, (ii) have obtained any or all necessary governmental approvals, consents or permits in connection with the construction, renovation, equipping, furnishing and operation of the Facility, or (iii) have complied with the New York Labor Law or other applicable laws, rules, regulations, orders and zoning and building codes, all in connection with the construction, renovation, equipping, furnishing and operation of the Facility.

The opinions expressed herein may be relied upon by the addressee and may not be relied upon by any other person without our prior written consent.

Very truly yours,

APPENDIX I

FORM OF CONTINUING DISCLOSURE AGREEMENT

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AGREEMENT TO PROVIDE CONTINUING DISCLOSURE

BUILD NYC RESOURCE CORPORATION

$14,595,000
BUILD NYC RESOURCE CORPORATION
TAX-EXEMPT REVENUE BONDS, SERIES 2021A
(SETON EDUCATION PARTNERS –BRILLA PROJECT)

$650,000
BUILD NYC RESOURCE CORPORATION
TAXABLE REVENUE BONDS, SERIES 2021B
(SETON EDUCATION PARTNERS –BRILLA PROJECT)

This **AGREEMENT TO PROVIDE CONTINUING DISCLOSURE** (the "Disclosure Agreement"), dated as of November 23, 2021, is executed and delivered by Seton Education Partners, a Wyoming not-for-profit corporation (the "Institution") and Brilla College Preparatory Charter Schools (the "School" and, together with the Institution, the "Obligated Person"), The Bank of New York Mellon, as Trustee (the "Trustee") and Digital Assurance Certification, L.L.C. ("DAC"), as exclusive Disclosure Dissemination Agent (the "Disclosure Dissemination Agent") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) issued by the Build NYC Resource Corporation (the "Issuer" or "Build NYC") and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the parties hereto through use of the DAC system and are not intended to constitute "advice" within the meaning of the United States Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). DAC is not obligated hereunder to provide any advice or recommendation to the Obligated Person or anyone on the Obligated Person's behalf regarding the "issuance of municipal securities" or any "municipal financial product" as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Resolution (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set in Sections 2(a) and 2(f) of this Disclosure Agreement, by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

"Audited Financial Statements" means the financial statements (if any) of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is

used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

"Bonds" means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

"Certification" means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Voluntary Financial Disclosure, Notice Event notice, Failure to File Event notice or Voluntary Event Disclosure required to be or voluntarily submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

"Disclosure Dissemination Agent" means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Obligated Person pursuant to Section 9 hereof.

"Disclosure Representative" means the chief financial officer of the Obligated Person or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

"Failure to File Event" means the Obligated Person's failure to file an Annual Report on or before the Annual Filing Date.

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "financial obligation" shall not include municipal securities as to which a final limited offering memorandum has been provided to the MSRB consistent with the Rule.

"Force Majeure Event" means: (i) acts of God, war or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access System maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent's reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

"Holder" means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

"Information" means collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

"Issuer" means the Build NYC Resource Corporation, as conduit issuer of the Bonds.

"Limited Offering Memorandum" means that Limited Offering Memorandum prepared by the Issuer and the Obligated Person in connection with the Bonds, as listed on Exhibit A.

"MSRB" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the United States Securities Exchange Act of 1934, as amended.

"Notice Event" means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

"Obligated Person" means any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

"Resolution" means Build NYC's bond resolution(s) pursuant to which the Bonds were issued.

"Trustee" means The Bank of New York Mellon and its successors and assigns.

"Voluntary Event Disclosure" means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

"Voluntary Financial Disclosure" means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than 150 days after the end of each fiscal year of the Obligated Person (or any time thereafter following a Failure to File Event as described in this Section), commencing with the fiscal year ending June 30, 2021, such date and each anniversary thereof, the "Annual Filing Date." Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the

Disclosure Dissemination Agent shall provide the Annual Report to the MSRB through its Electronic Municipal Market Access ("EMMA") System for municipal securities disclosures. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Obligated Person shall, not later than two (2) business days prior to the Annual Filing Date, either: (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Financial Information, Audited Financial Statements, if available, and unaudited financial statements, if Audited Financial Statements are not available in accordance with subsection (d) below and the Certification, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Trustee, that a Failure to File Event may occur, state the date by which the Annual Financial Information and Audited Financial Statements for such year are expected to be provided, and, at the election of the Obligated Person, instruct the Disclosure Dissemination Agent to send a notice to the MSRB in substantially the form attached as Exhibit B on the Annual Filing Date, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person hereby irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall provide unaudited financial statements for filing prior to the Annual Filing Date in accordance with Section 3(b) hereof and, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

(i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;

(ii) upon receipt, promptly file each Annual Report received under Section 2(a) and 2(b) with the MSRB;

(iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;

(iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

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, IRS notices or events affecting the tax-exempt status of the securities;
7. Modifications to rights of securities holders, if material;
8. Bond calls, if material;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Ratings changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
14. Merger, consolidation, or acquisition of the Obligated Person, if material;
15. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
16. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

17. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

(v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. "amendment to continuing disclosure undertaking;"

2. "change in obligated person;"

3. "notice to investors pursuant to bond documents;"

4. "certain communications from the Internal Revenue Service;"

5. "secondary market purchases;"

6. "bid for auction rate or other securities;"

7. "capital or other financing plan;"

8. "litigation/enforcement action;"

9. "change of tender agent, remarketing agent, or other on-going party;"

10. "derivative or other similar transaction;" and

11. "other event-based disclosures;"

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. "quarterly/monthly financial information;"

2. "change in fiscal year/timing of annual disclosure;"

3. "change in accounting standard;"

4. "interim/additional financial information/operating data;"

5. "budget;"

6. "investment/debt/financial policy;"

7. "information provided to rating agency, credit/liquidity provider or other third party;"

8. "consultant reports;" and

9. "other financial/operating data;"

(viii) provide the Obligated Person evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, the Trustee and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

Each Annual Report shall contain:

(a) Annual Financial Information with respect to the Obligated Person which shall include operating data and financial information of the type included in the Limited Offering Memorandum for the Bonds as described in "APPENDIX A – SETON EDUCATION PARTNERS AND BRILLA SCHOOLS NETWORK" under the headings, (i) "GOVERNANCE – Seton Board of Directors", "- Brilla Board of Trustees", "– Leadership Team", "– Management

Biographical Information" and "–Faculty and Staff", (ii) "ENROLLMENT" (iii) "ACADEMIC PERFORMANCE" (iv) "SCHOOL FINANCES – Summary of Brilla's Historical Revenues and Expenses", "– Charter School Funding" and "– Historic Per Pupil NY State Funding" (unless such information is included in the audited financial statements of the Obligated Person prepared and filed by the Obligated Person at or before the time that any other Annual Financial Information is required to be provided); together with a narrative explanation as may be necessary to avoid misunderstanding regarding the presentation of such Annual Financial Information concerning the Obligated Person; and

(b) Audited Financial Statements prepared in accordance with generally accepted accounting principles ("GAAP") or alternate accounting principles as described in the Limited Offering Memorandum will be included in the Annual Report. If Audited Financial Statements are not available, the Obligated Person shall be in compliance under this Disclosure Agreement if unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles as described in the Limited Offering Memorandum, are included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including limited offering memorandums of debt issues with respect to which the Obligated Person is an "obligated person" (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or are available from the MSRB Internet Website. If the document incorporated by reference is a final limited offering memorandum, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

Any Annual Financial Information containing modified operating data or financial information shall include an explanation, in narrative form, of such modifications.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;

2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;

4. Unscheduled draws on credit enhancements reflecting financial difficulties;

5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices and determinations with respect to the tax status of the securities or other material events affecting the tax status of the securities;

7. Modifications to rights of the security holders, if material;

8. Bond calls, if material;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Tender offers;

13. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(13) of this Section 4: For the purposes of the event described in subsection (a)(13) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

14. The consummation of a merger, consolidation or acquisition involving the Obligated Person, or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

15. Appointment of a successor or additional trustee or the change of name of a trustee, if material;

16. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

17. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not in excess of ten business days after its occurrence, notify the Trustee and the Disclosure Dissemination Agent in writing upon the

occurrence of a Notice Event. Upon actual knowledge of the occurrence of a Notice Event, the Trustee shall promptly notify the Obligated Person and also shall notify the Disclosure Dissemination Agent in writing of the occurrence of such Notice Event. Each such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the desired text of the disclosure, the written authorization for the Disclosure Dissemination Agent to disseminate such information, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Obligated Person or the Disclosure Representative, such notified party will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed as prescribed in subsection (a) or as prescribed in subsection (b) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB, in accordance with Section 2(e)(iv) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers.

Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference in the Annual Reports, Audited Financial Statements, Notice Event notices and Voluntary Event Disclosure, the Obligated Person shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. Additional Disclosure Obligations.

(a) The School shall provide to the Disclosure Dissemination Agent, together with a copy for the Trustee, electronic copies (i) of the School's annual operating budget, not later than thirty (30) days after the start of each fiscal year of the School, commencing with the fiscal year beginning July 1, 2021, and (ii) the School's quarterly financial results compared to the School's

budget within forty-five (45) days after the end of each fiscal quarter, commencing with the quarter ended December 31, 2021. Promptly upon receipt of an electronic copy of each of the Budget Report and the Quarterly Report, the Disclosure Dissemination Agent shall provide such Reports to the MSRB through its EMMA System.

(b) The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the United States Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the United States Securities Exchange Act of 1934, as amended, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

(c) The Obligated Person shall post to the EMMA System all monthly reports related to the status of the Project (as defined in the Indenture) provided by, Avison Young, Inc., the Project's construction monitor.

SECTION 7. Voluntary Filing.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the desired text of the disclosure, contain the written authorization for the Disclosure Dissemination Agent to disseminate such information, if applicable, and identify the desired date for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice will be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Obligated Person is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or to file any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Section 7, or including any other information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Failure to File Event notice or Notice Event notice in addition to that which is specifically required by this Disclosure Agreement or to file Voluntary Event Disclosure or Voluntary Financial Disclosure, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Voluntary Financial Disclosure, Voluntary Event Disclosure, Failure to File Event Notice or Notice Event notice.

SECTION 8. Termination of Reporting Obligation.

The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an Obligated Person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent.

The Obligated Person hereby appoints DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternatively, agrees to assume all responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Obligated Person.

SECTION 10. Remedies in Event of Default.

In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall

not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as provided in this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND THE TRUSTEE AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITY WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LOSSES, EXPENSES AND LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND THE TRUSTEE'S (AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS') NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and it shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format through the EMMA System and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer or Trustee Responsibility.

The Obligated Person and the Disclosure Dissemination Agent acknowledge that neither the Issuer nor the Trustee have undertaken any responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement (other than, with respect to the Trustee only, those notices required under Section 4 hereof), and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures (other than, with respect to the Trustee only, those notices required under Section 4 hereof). Build NYC (as conduit issuer) is not, for purposes of and within the meaning of the Rule, (i) committed by contract or other arrangement to support payment of all, or part of, the obligations on the Bonds, or (ii) a person for whom annual financial information and notices of material events will be provided. The Trustee shall be indemnified and held harmless in connection with this Disclosure Agreement to the same extent provided in the Resolution for matters arising thereunder.

SECTION 13. Amendment; Waiver.

Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person, the Trustee and the Disclosure Dissemination Agent 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 expert in federal securities laws acceptable to each of the Obligated Person, the Trustee and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided none of the Obligated Person, the Trustee or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Obligated Person, the Trustee and the Disclosure Dissemination Agent shall have the right to amend this Disclosure Agreement for any of the following purposes:

(i) to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time;

(ii) to add or change a dissemination agent for the information required to be provided hereby and to make any necessary or desirable provisions with respect thereto;

(iii) to evidence the succession of another person to the Obligated Person or the Trustee and the assumption by any such successor of the covenants of the Obligated Person or the Trustee hereunder;

(iv) to add to the covenants of the Obligated Person or the Disclosure Dissemination Agent for the benefit of the Holders, or to surrender any right or power herein conferred upon the Obligated Person or the Disclosure Dissemination Agent; and

(v) for any purpose for which, and subject to the conditions pursuant to which, amendments may be made under the Rule, as amended or modified from time to time, or any formal authoritative interpretations thereof by the Securities and Exchange Commission.

SECTION 14. Beneficiaries.

This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Trustee, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law.

This Disclosure Agreement shall be governed by the laws of the State of New York (without regard to its conflicts of laws provisions).

SECTION 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.

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The Disclosure Dissemination Agent, the Trustee and the Obligated Person have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By:_____
Name:_____
Title:_____

SETON EDUCATION PARTNERS,
Obligated Person

By:_____
Name:_____
Title:_____

BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS,
Obligated Person

By:_____
Name:_____
Title:_____

THE BANK OF NEW YORK MELLON,
as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer:	Build NYC Resource Corporation
Obligated Person(s):	(i) Seton Education Partners. and (ii) Brilla College Preparatory Charter Schools
Name of Bond Issue:	Tax-Exempt Revenue Bonds (Seton Education Partners – Brilla Project), Series 2021A Taxable Revenue Bonds (Seton Education Partners – Brilla Project), Series 2021B
Date of Issuance:	November 23, 2021
Date of Limited Offering Memorandum:	November 10, 2021

Tax-Exempt Revenue Bonds (Seton Education Partners – Brilla Project), Series 2021A

Maturity (November 1)	CUSIP No.
2031	12008E SF 4
2041	12008E SG 2
2051	12008E SH 0

Tax-Exempt Revenue Bonds (Seton Education Partners – Brilla Project), Series 2021B

Maturity (November 1)	CUSIP No.
2025	12008E SJ 6

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Build NYC Resource Corporation
Obligated Person(s):	(i) Seton Education Partners. and (ii) Brilla College Preparatory Charter Schools
Name of Bond Issue:	Tax-Exempt Revenue Bonds (Seton Education Partners – Brilla Project), Series 2021A Taxable Revenue Bonds (Seton Education Partners – Brilla Project), Series 2021B
Date of Issuance:	
CUSIP Numbers:	

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Agreement to Provide Continuing Disclosure, dated as of November 23, 2021, by and among the Obligated Person, The Bank of New York Mellon, as Trustee and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.

Dated:_____

Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent, on behalf of the Obligated Person

_____

cc: Obligated Person

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

_____

Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:

_____

Number of pages attached: _____

Description of Notice Events (Check One):

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, IRS notices or events affecting the tax status of the security;"
7._____"Modifications to rights of securities holders, if material;"
8._____"Bond calls, if material;"
9._____"Defeasances;"
10._____"Release, substitution, or sale of property securing repayment of the securities, if material;"
11._____"Rating changes;"
12._____"Tender offers;"
13._____"Bankruptcy, insolvency, receivership or similar event of the obligated person;"
14._____"Merger, consolidation, or acquisition of the obligated person, if material;"
15._____"Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
16._____"Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material;" and
17._____"Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties."

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly:

Signature:

_____

Name: _____Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100
Date:

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of November 23, 2021 by and among the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

_____

Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

Description of Voluntary Event Disclosure (Check One):

1._____"amendment to continuing disclosure undertaking;"
2._____"change in obligated person;"
3._____"notice to investors pursuant to bond documents;"
4._____"certain communications from the Internal Revenue Service;"
5._____"secondary market purchases;"
6._____"bid for auction rate or other securities;"
7._____"capital or other financing plan;"
8._____"litigation/enforcement action;"
9._____"change of tender agent, remarketing agent, or other on-going party;"
10._____"derivative or other similar transaction;" and
11._____"other event-based disclosures."

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Continuing Disclosure Agreement dated as of November 23, 2021 by and among the Obligated Person, the Trustee and DAC.

Issuer's and Obligated Person's Names:

_____

Six-Digit CUSIP Number:

_____

_____

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

_____

Number of pages attached: _____

Description of Voluntary Financial Disclosure (Check One):

1._____"quarterly/monthly financial information;"
2._____"change in fiscal year/timing of annual disclosure;"
3._____"change in accounting standard;"
4._____"interim/additional financial information/operating data;"
5._____"budget;"
6._____"investment/debt/financial policy;"
7._____"information provided to rating agency, credit/liquidity provider or other third party;"
8._____"consultant reports;" and
9._____"other financial/operating data."

I hereby represent that I am authorized by the obligated person or its agent to distribute this information publicly:

Signature:

_____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
390 N. Orange Avenue
Suite 1750
Orlando, FL 32801
407-515-1100

Date:

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APPENDIX J-1

ANDREWS AVENUE NORTH SUBLEASE

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FIRST AMENDED AND RESTATED SUBLEASE

This **FIRST AMENDED AND RESTATED SUBLEASE** (this "A&R Sublease"), effective as of July 1, 2018 (the "Effective Date"), is made by and between Seton Education Partners, Inc. (a/k/a Seton Education Partners), a Wyoming nonprofit corporation ("Organization"), and Brilla College Preparatory Charter Schools, a New York education corporation ("Charter School"), and is consented to by Raza Development Fund, Inc., a District of Columbia nonprofit corporation ("Lender"). Organization and Charter School may be referred to herein individually as a "Party" and, collectively, as the "Parties".

RECITALS

WHEREAS, pursuant to that certain Lease, dated January 17, 2013 (the "Master Lease"), Organization has leased from the Church of St. Pius, Borough of Bronx, N.Y. City ("Owner" or "Master Landlord") that certain school building located at 413 East 144th Street, Bronx, New York, formerly known as St. Pius V School (the "Building"), and the immediately adjoining sidewalk, pavement, and play-yard areas encompassing Block 2289, Lot 75 (collectively with the Building, the "Premises");

WHEREAS, pursuant to that certain Sublease, dated January 24, 2013, and that certain First Amendment to Sublease, dated April 2, 2018 (collectively, the "Sublease"), Charter School has subleased from Organization the Premises pursuant to the covenants, conditions and provisions set forth therein; and

WHEREAS, Charter School and Organization desire, as of the Effective Date, to restate and replace the Sublease, in full, by entering into this A&R Sublease to establish their respective rights and obligations as well as the terms and conditions governing Charter School's sublease of the Premises from Organization.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the foregoing recitals which the Parties warrant to be true and correct, and other good and valuable consideration, it is hereby agreed by and between Organization and Charter School as follows:

Article 1. Leasehold Premises

The Premises shall be made available to Charter School throughout the Term (as hereinafter defined) during the times set forth on **Schedule 1**, attached hereto and made a part hereof (the "Leasehold Periods"). During all other times throughout the Term (the "Non-Leasehold Periods"), the leasehold interest granted hereunder shall not be in effect, and, except as set forth on **Schedule 1**, regarding the administrative offices of Charter School, the right of possession and enjoyment of the Premises shall revert to Organization. At least annually, the Parties shall meet to review the Non-Leasehold Periods. Any adjustment to the Non-Leasehold Periods shall require the prior written consent of Organization which may be withheld by Organization in its sole discretion. If Organization agrees to any such adjustments, then **Schedule 1** shall be amended accordingly.

Notwithstanding the foregoing, upon the specific request of Charter School, Organization may, in its sole discretion, consent to Charter School's use of the Premises, or specific areas thereof, during portions of the Non-Leasehold Periods. Such usage by Charter School during the Non-Leasehold

Periods shall be a license and shall not be deemed an extension of or addition to Charter School's leasehold interest hereunder. The request for such usage and the granting of permission therefore shall be communicated between the Parties in any reasonable manner, including orally. No additional Rent (as hereinafter defined) or other fee shall be payable for such usage.

Article 2. Term

Section A. Initial Term. Subject to the covenants, conditions and provisions of this A&R Sublease, Organization hereby leases the Premises to Charter School for the Use (as hereinafter defined), and Charter School hereby agrees to lease the same for the Use and for no other purpose, for an initial term (the "Initial Term") beginning at 12:01 a.m. on July 1, 2018, and ending at 11:59 p.m. June 30, 2023.

Section B. Renewal Term. Unless sooner terminated as provided herein, or unless Charter School gives Organization at least sixty (60) days prior notice of its intent not to renew, this A&R Sublease shall automatically renew at the expiration of the Initial Term for an additional term of five (5) years (the "Renewal Term"). Unless otherwise agreed to in writing by the Parties, the Renewal Term shall be at the Base Rent set forth below and upon the same covenants, conditions and provisions as provided in this A&R Sublease, except that there will be no additional renewals unless the Parties expressly so agree in writing. The Initial Term and the Renewal Term, as applicable, being referred to in this A&R Sublease collectively as the "Term".

Article 3. Rent/Security Deposit

Section A. Base Rent. Commencing on the Effective Date and throughout the entire Term, Charter School covenants and agrees to pay to Organization base rent for the use of the Premises ("Base Rent") pursuant to Section D below. The amount of Base Rent shall be as follows:

Year	Sublease Period	Annual Base Rent
1	July 1, 2018 – June 30, 2019	$1,494,200.00
2	July 1, 2019 – June 30, 2020	$1,531,555.00
3	July 1, 2020 – June 30, 2021	$1,569,844.00
4	July 1, 2021 – June 30, 2022	$1,609,090.00
5	July 1, 2022 – June 30, 2023	$1,649,317.00
6*	July 1, 2023 – June 30, 2024	$1,690,550.00
7*	July 1, 2024 – June 30, 2025	$1,741,267.00
8*	July 1, 2025 – June 30, 2026	$1,793,505.00
9*	July 1, 2026 – June 30, 2027	$1,847,310.00
10*	July 1, 2027 – June 30, 2028	$1,902,729.00

*as applicable

Except as expressly stated otherwise in this A&R Sublease, the Base Rent payable herein shall be inclusive of all costs, expenses, and obligations of every kind relating to the Premises including, but not limited to: (i) any and all common area charges, parking lot and driveway maintenance, lighting and plowing charges and assessments; (ii) any and all insurance associated with the Premises; and (iii) any and all utility service charges associated with the Premises.

Section B. Security Deposit. Upon execution of the Sublease, Charter School paid a Security Deposit in the total amount of Ten Thousand Dollars ($10,000.00) for the full and faithful performance by Charter School of the terms of the Sublease (the "Security Deposit"), to be returned to Charter School, without interest, after Charter School has vacated the Premises and upon the full performance of the provisions of the Sublease. Organization hereby acknowledges receipt and possession of the Security Deposit and further acknowledges that the Security Deposit as originally paid upon execution of the Sublease will be applied as the Security Deposit under this A&R Sublease. Charter School shall not use the Security Deposit as Rent. Organization shall have the right, but not the obligation, to apply any part of the Security Deposit to cure any default of Charter School and if Organization does so, Charter School shall upon demand, deposit with Organization the amount so applied so that Organization shall have the full Security Deposit on hand at all times during the Term. Organization shall not be obligated to hold the Security Deposit in a separate fund but may commingle it with other funds. No interest shall be paid by Organization to Charter School on such Security Deposit.

Section C. Additional Rent. Any other sums of money other than Base Rent that become due to Organization under this A&R Sublease, if any, shall be deemed Additional Rent ("Additional Rent") and shall be subject to all of the provisions of this A&R Sublease relating to the payment of Base Rent. Base Rent and Additional Rent are collectively referred to in this A&R Sublease as "Rent".

Section D. Payment. Base Rent shall be payable in equal monthly installments, and each installment payment shall be due and payable in advance on the first day of each calendar month during the Term without further notice or demand by Organization and without set-off, abatement or deduction of any kind to Organization at such place designated by written notice from Organization to Charter School. A late fee of 5% of the monthly payment will be applied to those payments that are more than thirty (30) days past due.

Article 4. "As is and Where is" Condition; Use; Certain Additional Covenants

Section A. Organization represents and warrants to Charter School: (i) that the Master Lease is in full force and effect and that Organization is duly authorized under the Master Lease to execute this A&R Sublease; (ii) that this A&R Sublease, once executed by Organization, constitutes a valid and binding agreement, enforceable against Organization; and (iii) that, as of the Effective Date, Charter School is not in default under the Sublease.

Section B. Subject to Organization's obligations under Article 8 and Article 22 hereof, Charter School acknowledges and agrees that the Premises are being delivered to Charter School in "As Is and Where Is" condition; and that Charter School has done its due diligence investigation of the Premises and has accepted the condition of the Premises, including its determination of suitability of the Premises for the Use.

Section C. During the Term, Charter School shall have the right to use the Premises to operate a charter school for grades Kindergarten through Fifth and for related instructional purposes, school-related activities, and administrative offices only (collectively, the "Use"), and for no other purpose.

Section D. Charter School further covenants and agrees:

1. Not to use or occupy, or allow the Premises to be used or occupied, for any unlawful purpose and not to suffer any act to be done or any condition to exist on the Premises, or any article to be brought thereon, that may be dangerous, unless safeguarded as required by Applicable Laws (as hereinafter defined), or that may constitute a nuisance, public or private, or that may make void or voidable any insurance then in force with respect thereto.

2. Not to suffer or permit the Premises to be used (i) by the public without restriction, (ii) in such manner as might reasonably tend to impair Owner's title to the Premises or (iii) as might reasonably make possible a claim or claims of adverse usage, adverse possession or prescription by the public, or of implied dedication or other similar claims of, in, to or with respect to the Premises.

3. To prohibit smoking in or on the Premises.

4. To recognize that Owner is a religious corporation operated under the auspices of the Roman Catholic Church, and to acknowledge that it is therefore of utmost importance to Owner that the Premises (including any improvements hereafter made thereto) not be used or altered in any way that would violate any of the restrictions or covenants set forth below:

a. Charter School covenants that it shall not permit or conduct any obscene performances in violation of Section 235.00 of the New York Penal Law on the Premises hereby leased or permit them to be used for any obscene or pornographic purposes or activities including, without limitation, the sale, or distribution of any obscene or pornographic material. The terms "obscene", "material" and "performances" shall be defined for purposes of this covenant as they are defined in Section 235.00 of the New York Penal Law, and

b. Charter School further covenants that it shall not use, permit or suffer the Premises to be used or occupied for the purpose of performing any abortions or euthanasia proceedings or providing any counseling or advice relating to abortions, birth control or euthanasia or place any signs or advertising on or about the Premises that relate to abortion, birth control or euthanasia.

c. Charter School recognizes and agrees that a violation of any of the restrictions in clauses (a) and (b) of this Article 4, Section D.4 above would be seriously damaging and harmful to the reputation and standing of Owner as a religious corporation. Charter School hereby stipulates and agrees that any violation of any of the use restrictions shall entitle Organization and/ or Owner to seek an injunction in any court of competent jurisdiction in the State of New York enforcing said use restrictions.

5. That all Health Resource Room Services, HIV/AIDS Curriculum, Family Living Curriculum covering sex education and any successor health education curriculum covering sexuality shall be provided off site to students at an alternate facility.

6. To abide by and conform to reasonable rules and regulations from time to time adopted or prescribed by Organization for the governance and management of the Premises, provided such rules are not in conflict with or in violation of Charter School's Charter and laws governing New York Charter Schools.

7. To pay Organization on demand any sum which may become due to Organization for additional service, accommodations, or materials furnished or loaned by Organization, which sum shall be deemed Additional Rent hereunder.

Article 5. Academic Standards

Organization's corporate purposes include the fostering and development of the education of students at the primary and secondary educational levels. Therefore, as part of the consideration for Organization's granting of this A&R Sublease, Organization requires that Charter School meet the educational accountability and performance standards (the "Academic Standards") contained in Charter School's charter issued by its authorizer, the State University of New York (the "Authorizer"), as such Academic Standards may be amended from time to time. Organization will monitor Charter School's academic performance to ensure that it meets the Academic Standards, and on an annual basis, Charter School shall send a written report to Organization together with copies of all data submitted to the Authorizer regarding its academic performance and shall also send Organization all assessments and reports issued by the Authorizer regarding or related to Charter School's performance vis-à-vis the Academic Standards. Based on its review of the foregoing, should Organization determine, exercising reasonable judgment, that Charter School has materially failed to meet the Academic Standards, Organization shall notify Charter School within ten (10) business days of its determination (the "Notice").

Failure to Meet Academic Performance Standards: Charter School shall have a period of sixty (60) days after the date of the Notice to develop and submit to Organization a plan pursuant to which Charter School will remedy any deficiencies and achieve the Academic Standards in the next school year. In the event that Organization, within a period of sixty (60) days after receipt of such a plan, determines that such plan has a reasonable likelihood of success, Charter School shall be given one full school-year to implement such plan. If Charter School either (a) does not submit such plan to Organization within the sixty (60) day time period or (b) fails to achieve the Academic Standards within the next full school year, Organization shall have right to terminate this A&R Sublease at the conclusion of the applicable school year. Notwithstanding the foregoing, Organization will accept any remediation plan approved by the Authorizer, and shall not have the right to terminate this A&R Sublease so long as Charter School's academic performance is in compliance with such remediation plan, as determined by the Authorizer.

Article 6. Sublease and Assignment; Subordination; Foreclosure and Attornment

Section A. Sublease and Assignment. Subject in all cases to Master Landlord's approval rights in Article 13 of the Master Lease and subject to Charter School's complying with all of the obligations imposed on the Tenant in Article 13 of the Master Lease and subject to the proposed assignee being a New York State duly-authorized charter school, Charter School shall have the right to assign this A&R Sublease to any subsidiary of Charter School, or to any corporation under common control with Charter School, upon advance written notice to Organization with full disclosures of the assignee's corporate structure and principal owners. Charter School shall not

sublease all or any part of the Premises, or otherwise assign this A&R Sublease in whole or in part (1) without Organization's prior written consent, such consent in the case of a sublease to a New York State duly-authorized charter school shall not to be unreasonably withheld or delayed, but in all other cases may be withheld in the sole discretion of Organization, and (2) without the prior written consent of Master Landlord. Notwithstanding that Organization may not unreasonably withhold its consent to an assignment of this A&R Sublease to a New York State duly-authorized charter school, the Parties acknowledge and agree that Organization agreed to enter into this A&R Sublease with Charter School because of the strength of Charter School's leadership and educational and operational plan; and Organization's evaluation of any proposed charter school assignee for purposes of Organization's consenting to such an assignment will include similar criteria. If Charter School assigns this A&R Sublease or subleases the Premises in whole or in part without conforming to all of the terms and conditions of this Section 6A, the proposed assignment or sublease shall be voidable at Organization's or Master Landlord's option. As used in this A&R Sublease, the phrase "duly authorized charter school" shall mean a New York State not-for-profit education corporation organized pursuant to Article 56 of the New York State Education Law, as amended.

Section B. Subordination. This A&R Sublease and all rights of Charter School hereunder are, and shall remain, subject and subordinate in all respects to any mortgage(s) and ground or underlying lease(s) affecting the Building and/or the Premises and/or Organization's leasehold interest in the Premises (including without limitation any mortgage granted by Organization in favor of the Lender), and to all renewals, modifications, replacements and extensions thereof. The provisions of this Section 6B relating to subordination shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, however, Charter School shall execute and deliver promptly any certificate or other instrument, which Organization or Master Landlord or any mortgagee or ground or underlying lessee may reasonably request. Upon request of Organization, Charter School will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust to any bank, insurance company or other lending institution, now or hereafter in force against the Premises or Organization's leasehold interest in the Premises, including any buildings hereafter placed upon the Premises, and to all advances made or hereafter to be made upon the security thereof.

Section C. Foreclosure; Attornment. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Organization covering the Premises (or Organization's leasehold interest in the Premises), Charter School shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Organization under this A&R Sublease. The provisions of this Article 6 to the contrary notwithstanding, and so long as Charter School is not in default hereunder, this A&R Sublease shall remain in full force and effect for the full Term, and Organization agrees to procure a non-disturbance agreement from any mortgage lenders, and will make reasonable efforts to obtain the same from any mortgage lenders of Master Landlord. In addition, by its execution of this A&R Sublease, Lender agrees that in the event it institutes foreclosure proceedings affecting the Premises, it will not disturb Charter School's leasehold interest hereunder, so long as at such time Charter School is not in default hereunder and agrees in writing to attorn to any new sub-lessor.

Section D. Certificates. Charter School, at any time and from time to time upon not less than ten (10) days' prior request from Organization, shall execute, acknowledge and deliver a statement

certifying: (i) that this A&R Sublease is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this A&R Sublease, as so modified, is in full force and effect (or specifying the ground for claiming that this A&R Sublease is not in force and effect); (ii) the date to which Rent has been paid; (iii) the amount of any Security Deposit; (iv) that Charter School is in possession of the Premises; (v) that Charter School is paying Rent on a current basis with no offsets, defenses or claims, or specifying the same if any are claimed; (vi) that, to Charter School's knowledge, there are no uncured defaults on the part of Organization or Charter School which are pertinent to the request, or specifying the same if any are claimed; and (vii) such other matters as Organization may reasonably request, or as may be requested by Organization's current or prospective mortgagee(s), insurance carriers, auditors and prospective purchasers (and including a comparable certification statement from any subtenant respecting its sublease). Any such statement may be relied upon by any of such parties. If Charter School shall fail to execute and return such statement within the time required herein, Charter School shall be deemed to have agreed with the matters set forth therein and Organization, acting in good faith, shall be authorized as Charter School's agent and attorney-in-fact to execute such statement on behalf of Charter School (which shall not be in limitation of Organization's other remedies hereunder).

Article 7. Repairs

During the Term, Charter School shall maintain the Premises in good condition, order and repair. Organization shall promptly make, at Organization's cost and expense, all necessary repairs, replacements and maintenance to the Premises (interior and exterior), except as otherwise specifically set forth in this Article 7 and in Article 8. Repairs and maintenance that are Organization's responsibility shall include, but not be limited to, such items as snow and ice removal, maintenance, repairs and replacement of windows, floors, walls, ceilings and mechanical, plumbing, heating, and air-conditioning and electrical systems, except as hereinafter provided. Charter School shall be responsible for the following capital improvements, replacements or repairs: roof, structural components, building envelope, and heating and cooling apparatuses, including any furnace, boiler, air handler, and chiller, provided, however, that Organization shall be responsible for any of the foregoing repairs and replacements directly caused by the negligent act or omission of Organization, its employees, contractors, agents, invitees or guests. In the event Charter School believes the Premises to be in a state of disrepair or that a particular repair is needed immediately, Charter School may schedule and perform such repair, provided, however, that Organization shall reimburse Charter School for any and all costs and expenses incurred as a result of such repair. Notwithstanding the foregoing, Organization shall not be responsible for maintenance, repairs and replacements to the extent necessitated by the negligence of Charter School's employees, officers, directors, contractors, or agents.

All repairs shall be done in a good and workmanlike manner by qualified contractors. The Party responsible for performing repairs (the "Repairing Party") shall keep the Premises and all parts thereof at all times free from mechanic's liens and any other lien for labor, services, supplies, equipment or material purchased or procured, directly or indirectly, by or for either Party. Repairing Party will promptly pay and satisfy all liens or contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify the non-Repairing Party against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit in discharging

the Premises, from any liens, judgments, or encumbrances caused or suffered by the non-Repairing Party. In the event such lien shall be made or filed, Repairing Party shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the Parties that in the event any expenses, costs and charges become due to Organization by reason of the foregoing, such expenses, costs and charges shall be considered Additional Rent due and payable with the next installment of Base Rent.

Neither Party shall not have any authority to create any liens for labor or material on the other Party's interest in the Premises and all persons contracting with the Repairing Party for the construction or removal of any facilities or other improvements on or about the Premises, and all materialmen, contractors, mechanics, and laborers are hereby charged with notice that they must look only to the Repairing Party and to Repairing Party's interest in the Premises to secure the payment of any bill for work done or material furnished at the request or instruction of Repairing Party.

In accordance with New York law, and to the extent permitted under this A&R Sublease, Organization shall have the right to post on the Premises and to file and/or record in the Public Records or court registry, as applicable, notices of non-responsibility and such other notices as Organization may reasonably deem proper for the protection of Organization's interest in the Premises.

Nothing in this Article 7 or in Article 8 shall prevent Charter School from making repairs or alterations reasonably necessary to protect the health, safety and welfare of students.

Article 8. Alterations and Improvements

Section A. Prior to the Effective Date, Organization has performed and completed certain renovation work on the Premises in accordance with the Sublease. The Parties acknowledge that all renovation work required thereunder is complete and that all required certificates of occupancy were obtained and made available to Charter School in accordance with the Sublease. In the event that Charter School determines that any repairs that are the obligation of Charter School under Article 7 hereof have been caused or necessitated by defective renovation work, Organization will assign to Charter School its contractual rights against the contractor who performed such defective work.

Section B. Charter School, at Charter School's cost and expense, shall have the right, following receipt of the written consent of Organization, which shall not be unreasonably withheld, to remodel, redecorate, and make additions, improvements and replacements to the Premises from time to time as Charter School may deem desirable so long as Charter School also complies with the requirements imposed on the Tenant in Article 8 of the Master Lease. Charter School shall have the right to place and install personal property, fixtures, equipment and other temporary installations in and upon the Premises, and fasten the same to the Premises. All personal property, equipment, machinery, fixtures and temporary installations, whether acquired by Charter School at the commencement of the Term or placed or installed on the Premises by Charter School thereafter, shall remain Charter School's property free and clear of any claim by Organization. All additions and improvements must be done in accordance with the terms of Article 6 herein and Article 8 of the Master Lease.

Article 9. Taxes

Section A. Organization hereby represents to Charter School that the Premises are currently exempt from Taxes. In the event the Premises become taxable, in whole or in part, Charter School shall pay, as Additional Rent, eighty (80%) percent of Taxes as they become due, as provided more fully below. For purposes of this Article 8, "Taxes" shall mean all real estate taxes, assessments, sewer rentals, county taxes or any other governmental charges, whether federal, state, city, county or municipal, and whether general or special, ordinary or extraordinary, foreseen or unforeseen, which may now or hereafter be levied, imposed or assessed against the Premises. In the event of a future change in the method of taxation, any franchise, income, profit or any other charge which shall be levied, imposed or assessed against such real property in substitution in whole or in part for or in lieu of any tax, assessment or other charge which would otherwise constitute Taxes under the foregoing provisions of this subsection, shall be deemed to be Taxes for the purpose hereof.

Section B. Organization shall pay any Taxes on the Premises. Organization shall submit to Charter School true copies of the bills for Taxes for any taxable period included within the Term within fifteen (15) days of Organization's receipt of same. To the extent that the tax bill is for a tax parcel that includes the Premises and other lands of Organization (that are not otherwise tax exempt), Organization shall also provide, upon Charter School's request, a statement showing Charter School's proportionate share of such Taxes and the method used to calculate such share. Charter School shall pay its portion of the Taxes to Organization within fifteen (15) days of receipt of the applicable Tax bill (and proportionate share statement, if applicable). In the event that Charter School does not make such payment within such period and as a result of such nonpayment penalties, interest or both are added to the Taxes, then Charter School shall reimburse Organization for 100% of such penalties, interest or both, as Additional Rent.

Section C. Each Party shall have the right to commence, at its own expense, legal or other proceedings to obtain a reduction in Taxes and the other Party agrees to reasonably cooperate, at the protesting Party's cost and expense, in making all necessary applications or filings to seek such reduction. Nothing herein contained shall obligate either Party to make application for, or otherwise commence legal or other proceedings to obtain, a reduction in Taxes. All attorneys' fees and other expenses incurred by either Party in seeking a reduction of Taxes shall be the sole responsibility of such Party. In no event shall (i) any reduction in Taxes result in a decrease in the total amount of the Base Rent payable under this A&R sublease or (ii) any such adjustment be chargeable against any other item of Additional Rent.

Section D. Any payment of Taxes due under this Article 8 for any period occurring within the Term or any renewal or extension hereof, or any period of retention of possession by Charter School as a hold-over or otherwise, for less than the full period covered by such tax bill occurring at the commencement or expiration of the Term shall be apportioned so that Charter School shall pay only that 80% portion thereof that corresponds with its period of occupancy in the Premises.

Section E. Charter School's obligation to pay any amount as provided in this Article 8 shall survive the Expiration Date.

Article 10. Insurance

Section A. Organization shall be fully responsible for the cost of either: (i) the property insurance

coverage procured by Organization pursuant to the Master Lease, or (ii) the reimbursement that Organization pays to Master Landlord for such coverage. Organization will supply Charter School with a copy of all policies of property insurance covering the Building and/or Premises. If Organization procures the property insurance, it shall name Charter School as a loss payee as its interests may appear, and if Master Landlord procures this insurance, Organization shall use reasonable efforts to have Master Landlord list Charter School as a loss payee on the policy, as its interests may appear. To the extent of all applicable property insurance coverage, each Party hereby waives any and all right of recovery that it may have against the other Party for property loss to the Building or the Premises. If Organization procures such insurance, it shall cause its insurer(s) to waive any and all rights of subrogation against Charter School with respect to losses payable under the applicable policy. If Master Landlord procures such insurance, Organization shall use reasonable efforts to obtain the same waivers from Master Landlord and Master Landlord's insurer(s). In the event that Charter School is not named as a loss payee, Organization agrees to receive all property insurance proceeds paid as a result of a casualty occurrence as a trustee for the interests of itself and Charter School, and will utilize such proceeds solely for the purpose of effecting repairs and/or reimbursing itself and Charter School for the losses incurred.

Section B. Throughout the Term, each Party, at its own cost, shall procure and maintain comprehensive general public liability insurance in the amounts and with the specifications set forth in Section 10.01 of the Master Lease. Each policy so procured by a Party shall name the other Party, and Master Landlord and those other persons listed in Section 10.03 of the Master Lease, as additional insureds.

Section C. Each Party will provide the other with the copies of the relevant insurance policies and costs within thirty (30) days of this A&R Sublease, and thereafter as requested by the other Party.

Section D. Charter School acknowledges that it shall be responsible for obtaining its own policies of insurance with respect to its business and personal property, and for workers compensation.

Article 11. Utilities

Organization shall pay or cause to be paid all charges and costs associated with Charter School's use of utilities and other services servicing the Premises including, but not limited to, water, sewer, gas, electricity, trash removal, landscape and lawn maintenance and other services (collectively, the "Utilities").

Organization shall not be liable or responsible to Charter School in any way for any liability, loss, damage or expense, including consequential damages, which Charter School may sustain or incur by reason of any failure, inadequacy, defect or change in the character, quantity or supply of gas or electric energy or water furnished to the Premises, or any interruption in providing gas, water and electric energy to the Premises for any reason whatsoever but for Organization's failure to pay for such Utilities as required hereunder. Organization shall not be liable or responsible to Charter School in any way for any liability, loss, damage or expense, including consequential damages, that Charter School may sustain or incur by reason of any failure, inadequacy, defect or change in the character, quantity or supply of gas or electric energy or water furnished to the Premises, or any interruption in providing gas, water or electric energy to the Premises for any reason whatsoever but for Organization's failure to pay for such Utilities as required hereunder.

Article 12. Signs

Charter School will have the right, at its sole cost and expense, to place its name, its standard logo and the words a "New York Charter School" on the exterior of the Building in a location reasonably acceptable to Organization. Charter School shall not place any other signs on the Premises without the approval of Organization, which shall be in the sole discretion of Organization. Following Organization's written consent to the location, form, size, description, wording and content which consent shall be in Organization's sole discretion, Charter School shall have the right, at its sole cost and expense, to place on the Premises signs which are permitted by applicable zoning ordinances. Organization shall reasonably assist and cooperate, at Charter School's cost and expense, with Charter School in obtaining any necessary permission from governmental authorities for Charter School to place or construct the foregoing signs, but Organization shall not be required to incur any cost or expense in providing such assistance. Charter School shall pay for or repair, at Organization's option, any damage to the Premises from the installation of the signs. Upon the expiration or earlier termination of this A&R Sublease, Charter School shall remove the signs and repair any damage to the Premises resulting from the removal of signs by Charter School.

Article 13. Entry

Organization, or its representatives, and Master Landlord, or its representatives, shall all have the right to enter upon the Premises with reasonable notice and at reasonable hours of any day during the Term to inspect same, unless there is an emergency (in which case entry may be made at any time without advance notice), and provided Organization shall not thereby unreasonably interfere with Charter School's activities on the Premises. Organization shall also have the right to show the Premises to other potential users at any time.

Article 14. Damage to Premises

If the Premises or any part thereof is so damaged by fire, flood, wind, hurricane, act of God, act of war, casualty or structural defects that the same cannot be used for Charter School's purposes as determined by Charter School and Organization, then either Party shall have the right within ninety (90) days following damage to elect by notice to terminate this A&R Sublease as of the date of such damage. In the event of minor damage, which shall be defined as damage, the cost of which to repair shall not exceed Fifty Thousand dollars ($50,000), to any part of the Premises, and if such damage does not render the Premises unusable for Charter School's purposes, Charter School shall promptly repair such damage at the cost of Charter School, but only if all applicable insurance proceeds shall be made available to Charter School for such repairs. All repairs must be done in accordance with the terms of Articles 7 and 8 herein.

Charter School shall be relieved from paying Rent and other charges during any portion of the Term that the Premises are inoperable or unfit for occupancy in whole or in part due to such damage; provided, however, that if only a portion of the Premises is inoperable or unfit for occupancy, then the Rent shall be reduced (but not relieved entirely) by an equitable amount. The provisions of this Article 14 extend not only to the matters aforesaid, but also to any occurrence that is beyond the Parties' reasonable control and that renders the Premises inoperable or unfit for occupancy and/or the Use, in whole or in part.

Article 15. Eminent Domain

If the all or substantially all of the Premises is appropriated or taken by eminent domain, this A&R Sublease shall terminate and expire as of the date of title vesting in such proceeding, and Organization and Charter School shall thereupon be released from any further liability hereunder. If a part of the Premises is taken by eminent domain and same renders the Premises untenable, as determined by Organization and Charter School, then this A&R Sublease and the Term shall terminate as aforesaid. If such partial taking does not render the Premises untenable, as determined by Organization and Charter School, then this A&R Sublease shall continue in effect except that the Rent amount shall be reduced on an equitable basis. Charter School shall not be entitled to, and expressly waives all claim to any condemnation award for any taking whether whole or partial, except, however, that Charter School shall be permitted to bring a separate claim for its damages caused by reason of the taking.

Article 16. Vault Space

No vaults, vault space or area, whether enclosed or covered, not within the property line of the Building is leased hereunder, anything contained in or indicated on any sketch, blueprint or plan or anything contained elsewhere in this Lease to the contrary notwithstanding. Organization makes no representation as to the location of the property line of the Building. All vaults and vault space and all such areas not within the property line of the Building, which Charter School may be permitted to use and/or occupy by Organization in writing, are to be used and/or occupied under a revocable license, and if any such license shall be revoked, or if the amount of such space or area shall be diminished or required by Organization or any federal, state or municipal authority or public utility, Organization shall not be subject to any liability nor shall Charter School be entitled to any compensation or diminution or abatement of Rent, nor shall such revocation, diminution or requisition be deemed a constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault or area shall be paid by Organization.

Article 17. Default

If default shall at any time be made by Charter School in the payment of Rent due to Organization pursuant to this A&R Sublease, and if the default shall continue for fifteen (15) days after written notice thereof shall have been given to Charter School by Organization, or if material default shall be made in any of the other covenants or conditions to be kept, observed and performed by Charter School, and such default shall continue for thirty (30) days after notice thereof in writing to Charter School by Organization without correction thereof then having been commenced and thereafter diligently prosecuted by Charter School and in all events cured within sixty days of such notice, or if Charter School shall abandon or vacate the Premises for a period of thirty (30) days other than in accordance with its typical academic schedule, then Organization, at any time thereafter and at Organization's option, may give to Charter School a five (5) day notice of termination of this A&R Sublease (the "Default Termination Notice") and, in the event such Default Termination Notice is given, this A&R Sublease and the Term shall come to an end and expire (whether or not the Term shall have commenced) upon the expiration of such five (5) days with the same effect as if such date of expiration were the date originally set for the expiration of this A&R Sublease. Notwithstanding any such termination by Organization, Charter School shall remain liable for damages pursuant to the provisions of Article 17 hereof.

Following the expiration of the time period set forth in the Default Termination Notice, Organization shall have the right to re-enter the Premises, following summary proceedings or by any other applicable action or proceeding and may repossess the Premises and dispossess Charter School and any other persons from the Premises and remove any and all of their property and effects therefrom. In addition, Organization shall have any and all of the rights or remedies available to a landlord on account of any Charter School default, including, without limitation, holding Charter School immediately liable for, and requiring Charter School to pay to Organization, all Base Rent due and which would have become due under this A&R Sublease if this A&R Sublease had not been so terminated and claims for other damages and injunctive relief, either in law or equity. Organization shall use reasonable efforts to mitigate its damages.

Article 18. Notice

Any notice required or permitted under this A&R Sublease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, or by a nationally-recognized overnight delivery service (such as Federal Express), addressed as follows:

If to Organization to:
Seton Education Partners
601 Montgomery Street, Suite 675
San Francisco, CA 94111
Attn: Scott Hamilton

If to Charter School to:
Brilla College Preparatory Charter Schools
413 East 144th Street
Bronx, NY 10454
Attn: Principal

Organization and Charter School shall each have the right from time to time to change the place notice is to be given under this Article 18 by written notice thereof to the other Party.

Article 19. Headings

The headings used in this A&R Sublease are for convenience of the Parties only and shall not be considered in interpreting the meaning of any provision of this A&R Sublease.

Article 20. Successors

The provisions of this A&R Sublease shall extend to and be binding upon Organization and Charter School and their respective legal representatives, successors and permitted assigns.

Article 21. Consent

Except as expressly provided herein, Organization shall not unreasonably withhold or delay its consent with respect to any matter for which Organization's consent is required or desirable under this A&R Sublease.

Article 22. Cooperation

Charter School, at its sole cost and expense, shall have the right to take all steps necessary to seek any and all approvals as may be required or desired by Charter School in connection with Charter School's improvements. Organization, at Charter School's expense, agrees to reasonably cooperate with Charter School in obtaining such approvals and permits, including by submitting information and executing documents as may be reasonably requested by Charter School, but Organization shall not be required to incur any cost or expense in providing such cooperation. Charter School shall not seek or apply for any government approvals, permits or amendments not related to the Use.

Organization agrees to reasonably cooperate, at Charter School's cost and expense, in connection with Charter School's obtaining all Municipal Certificates of Use as required by law, including, without limitation, by submitting information and executing documents as may be reasonably requested, but Organization shall not be required to incur any cost or expense in providing such cooperation. Organization shall reasonably cooperate with Charter School, at Charter School's cost and expense, in providing such affidavits required by Charter School's Charter or by law, but Organization shall not be required to incur any cost or expense in providing such cooperation.

Article 23. Performance

If there is a material default with respect to any of Charter School's covenants, warranties or representations under this Agreement, and if the default continues more than thirty (30) days after notice in writing from Organization to Charter School specifying the default, Organization shall have any right or remedy available to Organization on account of any Charter School default, including claims for damages and injunctive relief, either in law or equity at its option and may (but shall not be obligated to) without affecting any other remedy hereunder, cure such default and add the reasonable cost thereof, as Additional Rent, to the next accruing installment or installments of Rent payable hereunder until Organization shall have been fully reimbursed for such expenditures. If this Agreement terminates prior to Organization's receiving full reimbursement, Charter School shall pay the unreimbursed balance.

Article 24. Compliance with Applicable Laws

Charter School, at its sole cost and expense, shall promptly comply with all present and future laws, orders, rules, regulations, ordinances and other governmental requirements of all federal, state, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law and all orders, rules and regulations of the New York Board of Fire Underwriters or any similar body (collectively, "Applicable Laws") pertaining to Charter School's Use and occupancy of the Premises. Organization shall comply with all Applicable Laws relating to the Use of the Premises. Charter School shall pay to Organization as Additional Rent all costs, expenses, fines, penalties or damages which may be imposed upon Organization, Master Landlord or Charter School by reason of Charter School's failure to comply with the provisions of this Article 24 and, if by reason of such failure, the fire insurance rate during the Term shall be higher than it otherwise would be, then Charter School shall reimburse Organization as Additional Rent, for that portion of all insurance premiums thereafter required to be paid by Organization pursuant to the terms of the Master Lease that shall have been charged because of such failure by Charter School, and shall make such reimbursement upon the first (1st) day of the calendar month following the payment thereof by Organization.

Article 25. Final Sublease

This A&R Sublease contains all of the agreements between the Parties. This A&R Sublease terminates and supersedes all prior understandings or agreements on the subject matter hereof including, but not limited to, the Sublease, provided, however, that any obligation of either Party that remains outstanding as of the Effective Date and/or any obligation which, by the terms of the Sublease, is intended to survive any termination or expiration of the Sublease, shall survive the execution and delivery of this A&R Sublease. This A&R Sublease may be modified only by a further writing that is duly executed by both Parties. There are no oral agreements, terms, representations or warranties not otherwise set forth herein.

Article 26. Conflicts

If any term or provision of this A&R Sublease, or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of the terms of this A&R Sublease shall not be affected thereby.

Article 27. Termination

This A&R Sublease may be terminated by either Party by providing written notice not less than 180 days prior to the start of either the fall or spring semesters of Charter School's academic calendar. Should Charter School's charter with the State of New York be terminated or not renewed during the Term, either Party may terminate this A&R Sublease by giving thirty (30) days' notice thereof in writing to the other Party. Organization may elect to terminate this A&R Sublease at any time by providing ninety (90) days written notice to Charter School. If Organization terminates under this 90 days provision, it shall pay Charter School a termination charge equal to six (6) times the prior month's Rent at the time of termination. Charter School shall vacate the Premises prior to the date set for termination in any notice given pursuant to this Article 27 and shall deliver possession of the Premises to Organization in the same condition as Charter School is obligated to surrender the Premises as provided in Article 33 hereof.

Article 28. Governing Law

This A&R Sublease shall be governed, construed and interpreted by, through and under the Laws of the State of New York, without regard to principles of choice of law, and venue and jurisdiction shall lie exclusively in the Courts of New York.

Article 29. No Partnership or Joint Venture

Nothing contained in this A&R Sublease shall be deemed or construed as creating a partnership, joint venture, or any other common enterprise between Organization and Charter School.

Article 30. Due Diligence

Charter School specifically acknowledges that it has the sole responsibility for conducting the utmost level of care, due diligence and background checks on all of its officers, directors, employees, volunteers, and agents in the operation of the charter school on the Premises in order to provide protection of the welfare of the children attending the school on the Premises. In accordance therewith, Charter School shall at all times fully comply with all Applicable Laws

governing same, whether existing now or in the future.

Article 31. Indemnification

Charter School and Organization (each an "Indemnitor") shall each indemnify and save the other Party, its officers, directors and employees (collectively, the "Indemnitees") harmless from and against, and shall reimburse the Indemnitees for, all liabilities, losses, obligations, actions, proceedings, damages, fines, penalties, claims, demands, costs, charges, judgments and expenses, whether founded in tort, in contract, or otherwise, including without limitation attorney's fees and costs, which may be imposed upon or incurred or paid by or asserted against the Indemnitees or the Indemnitees' interest in the Premises by reason of or in connection with or arising out of the Premises or any area allocated to or used by the Indemnitor or its agents, contractors, officers, directors, employees, students, agents, guests, patrons, invitees, or any act or omission of the Indemnitor or the Indemnitor's contractors, officers, directors, employees, invitees, students, guests, patrons, agents, or any change, alteration or improvement made by the Indemnitor in or to the Premises or relating to any business or other activities conducted therein, except to the extent that such liabilities, losses, obligations, actions, proceedings, damages, fines, penalties, claims, demands, costs, charges, judgments or expenses are caused by the negligence or other culpable conduct of the Indemnitees.

Article 31. Time of Essence

Time is of the essence in the performance of Charter School's duties and obligations contained in this A&R Sublease.

Article 32. Attorney's Fees

If any legal action is brought seeking enforcement of the provisions of this A&R Sublease, the substantially prevailing Party shall be entitled to the recovery of reasonable attorney's fees and costs.

Article 33. Surrender of Premises

On the date of the expiration or earlier termination of this A&R Sublease (the earlier of such dates being referred to as the "Expiration Date"), Charter School shall surrender and deliver the Premises into the possession and use of Organization without delay and in good order, condition, and repair, reasonable wear and tear, and damage and other casualty (to the extent not required to be repaired by Charter School hereunder) excepted, and free and clear of all liens and encumbrances created, or suffered to be created, by Charter School.

All fixtures, paneling, partitions, railings and like installations, installed in the Premises at any time either by Charter School or by Organization on Charter School's behalf, shall remain upon and be surrendered with the Premises on the Expiration Date. Charter School shall not have any claim to any benefit, any increase in rental value or any reimbursement for its costs relating to any additions, alterations or improvements upon the surrender of the Premises on the Expiration Date.

Where furnished by or at the expense of Charter School or its subtenant(s), items of furniture, trade fixtures and business equipment (not constituting part of the Premises) shall be removed by Charter School from the Premises at or prior to the Expiration Date, provided, however, that the removal

thereof shall not cause any damage to any portion of the Premises, including without limitation, the Building. Organization's cost of repairing such damage, if any, shall be deemed Additional Rent and shall be paid by Charter School within seven (7) days after Organization's demand therefor.

Any property which shall remain in, at or on the Premises after the Expiration Date may be deemed by Organization to have been abandoned by Charter School or by its subtenant(s). Such property may be retained by Organization as its property or may be disposed of, without accountability or liability, in such manner as Organization deems appropriate at Charter School's cost and expense (such cost or expense to be deemed Additional Rent and shall be paid by Charter School within seven (7) days after Organization's demand therefor).

No act or thing done by Organization or Organization's agents during the Term shall be deemed an acceptance of a surrender of the Premises or of any remaining portion of the Term, and no agreement to accept such surrender shall be valid, unless in writing signed by Organization. No employee of Organization or Organization's agent(s) shall have any power to accept the keys to the Premises prior to the Expiration Date, and the delivery of keys by Charter School to any such agent or employee shall not operate as a termination of this A&R Sublease or a surrender of the Premises.

Charter School expressly waives any right, which Charter School may have under the provisions of the New York Civil Practice Law and Rules and of any successor law of like import then in force in connection with any holdover summary proceedings which Organization may institute to enforce the provisions of this Article 34.

The provisions of this Article 34 shall survive the Expiration Date.

Article 35. Master Lease

Section A. Except and to the extent that the same are inapplicable or inconsistent with the express terms of this A&R Sublease, Charter School shall observe and perform all of the terms and provisions in the Master Lease to be observed and performed by the "Tenant" under the Master Lease. Charter School acknowledges and agrees that in case of any conflict between the terms of the Master Lease and the terms of this A&R Sublease, the terms of the Master Lease shall control.

Section B. If at any time during the Term, the Master Lease shall terminate for any reason, at the election and upon demand of any owner of the Premises, of any mortgagee in possession thereof or of any holder of a leasehold affecting the Premises, Charter School shall attorn to any such owner, mortgagee or holder upon the terms and conditions set forth in the Master Lease for the remainder of the Term. Subject to the provisions of Section C of Article 6. The foregoing agreement to attorn shall be self-operative, without requiring any further instrument to give effect to such provision; however, upon demand of any such owner, mortgagee or holder, Charter School shall execute, from time to time, an instrument in confirmation of the foregoing.

Article 36. Holdover

In the event Charter School remains in possession of the Premises after the Expiration Date without the execution of a new lease or extension agreement (TIME BEING OF THE ESSENCE with respect to the Expiration Date), Charter School shall be liable to Organization for: (i) all losses

and damages which Organization may reasonably incur by reason of such hold-over including, without limitation, attorneys' fees and disbursements and lost opportunities (and/or new leases) by Organization to re-let the Premises (or any part thereof) and damages and liabilities incurred by Organization under the Master Lease, and Charter School shall indemnify Organization against all claims made by any succeeding tenants or Master Landlord against Organization or otherwise arising out of or resulting from Charter School's failure timely to surrender and vacate the Premises on the Expiration Date in accordance with the provisions hereof; and (ii) a per diem use and occupancy in respect of the entire Premises calculated with respect to an annual rate equal to the greater of (x) two hundred (200%) percent of Base Rent payable hereunder for the last year of the Term or (y) the then fair market rental value of the Premises, as determined by Organization (either of which amounts Organization and Charter School agree is fair and reasonable under the circumstances and is not, and shall not be deemed to be, a penalty). Charter School shall also be liable to Organization for any payment or rent concession made or provided by Organization to any new tenant for all or any part of the Premises in order to induce such tenant not to terminate its lease with Organization by reason of Charter School's holding-over (including, without limitation, any holdover expenses, rent, damages or liability which shall be borne by the new tenant with respect to its then-existing lease and premises at another building). In no event shall any provision hereof be construed as permitting Charter School to hold-over in possession of the Premises, or any portion thereof, after the Expiration Date. All damages to Organization by reason of such holding-over by Charter School may be the subject of a separate action and need not be asserted by Organization in any summary proceedings against Charter School.

Charter School expressly waives, for itself and for any person claiming through or under Charter School, any rights which Charter School or any such person may have under the provisions of Section 2201 of the New York Civil Practice Law and Rules (and of any successor law of like import then in force) in connection with any holdover summary proceedings which Organization may institute to enforce the foregoing provisions of this Article 36. Anything in this Article 36 to the contrary notwithstanding, the acceptance of any Rent paid by Charter School pursuant to this Article 36 shall not preclude Organization from commencing and prosecuting a holdover or summary eviction proceeding, and the preceding sentence shall be deemed to be an "agreement expressly providing otherwise" within the meaning of Section 232-c of the New York Real Property Law (and of any successor statute of similar import then in force).

Charter School and Organization hereby represent that the undersigned signatories are their duly appointed agents with the full power and authority to bind Charter School and Organization to the terms and conditions of this A&R Sublease.

IN WITNESS WHEREOF, the Parties have executed this A&R Sublease as of the day and year stated below.

Organization:
SETON EDUCATION PARTNERS, INC.

By: Stephanie Sanders

Print Name: [redacted]

Date: [redacted]

Its: [redacted]

Charter School:
BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

By: Eric Eckholdt

Print Name: ERIC J. ECKHOLDT

Date: 7/25/2018

Its: CHAIRMAN

Consented to by:
LENDER:
RAZA DEVELOPMENT FUND, INC.,
a District of Columbia nonprofit corporation

By: _____

Name: Mark Van Brunt

Its: Chief Operating Officer

SCHEDULE 1

LEASEHOLD PERIODS

As of the Effective Date (July 1, 2018), the Leasehold Periods are as follows:

1. All of the Premises: Monday through Friday, 7:15 AM – 3:45 PM.

2. Weekends & Evenings after 5:00 PM, as mutually agreed upon by Organization and Charter School.

3. Throughout the Term, Organization shall provide Charter School with one (1) or more mutually agreed upon administrative offices year-round.

APPENDIX J-2

413 EAST 144TH STREET SUBLEASE

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FIRST AMENDED AND RESTATED SUBLEASE

This **FIRST AMENDED AND RESTATED SUBLEASE** (this "A&R Sublease"), effective as of July 1, 2018 (the "Effective Date"), is made by and between Seton Education Partners, Inc. (a/k/a Seton Education Partners), a Wyoming nonprofit corporation ("Organization"), and Brilla College Preparatory Charter Schools, a New York education corporation ("Charter School"), and is consented to by Raza Development Fund, Inc., a District of Columbia nonprofit corporation ("Lender"). Organization and Charter School may be referred to herein individually as a "Party" and, collectively, as the "Parties".

RECITALS

WHEREAS, pursuant to that certain Lease, dated January 17, 2013 (the "Master Lease"), Organization has leased from the Church of St. Pius, Borough of Bronx, N.Y. City ("Owner" or "Master Landlord") that certain school building located at 413 East 144th Street, Bronx, New York, formerly known as St. Pius V School (the "Building"), and the immediately adjoining sidewalk, pavement, and play-yard areas encompassing Block 2289, Lot 75 (collectively with the Building, the "Premises");

WHEREAS, pursuant to that certain Sublease, dated January 24, 2013, and that certain First Amendment to Sublease, dated April 2, 2018 (collectively, the "Sublease"), Charter School has subleased from Organization the Premises pursuant to the covenants, conditions and provisions set forth therein; and

WHEREAS, Charter School and Organization desire, as of the Effective Date, to restate and replace the Sublease, in full, by entering into this A&R Sublease to establish their respective rights and obligations as well as the terms and conditions governing Charter School's sublease of the Premises from Organization.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the foregoing recitals which the Parties warrant to be true and correct, and other good and valuable consideration, it is hereby agreed by and between Organization and Charter School as follows:

Article 1. Leasehold Premises

The Premises shall be made available to Charter School throughout the Term (as hereinafter defined) during the times set forth on **Schedule 1**, attached hereto and made a part hereof (the "Leasehold Periods"). During all other times throughout the Term (the "Non-Leasehold Periods"), the leasehold interest granted hereunder shall not be in effect, and, except as set forth on **Schedule 1**, regarding the administrative offices of Charter School, the right of possession and enjoyment of the Premises shall revert to Organization. At least annually, the Parties shall meet to review the Non-Leasehold Periods. Any adjustment to the Non-Leasehold Periods shall require the prior written consent of Organization which may be withheld by Organization in its sole discretion. If Organization agrees to any such adjustments, then **Schedule 1** shall be amended accordingly.

Notwithstanding the foregoing, upon the specific request of Charter School, Organization may, in its sole discretion, consent to Charter School's use of the Premises, or specific areas thereof, during portions of the Non-Leasehold Periods. Such usage by Charter School during the Non-Leasehold

Periods shall be a license and shall not be deemed an extension of or addition to Charter School's leasehold interest hereunder. The request for such usage and the granting of permission therefore shall be communicated between the Parties in any reasonable manner, including orally. No additional Rent (as hereinafter defined) or other fee shall be payable for such usage.

Article 2. Term

Section A. Initial Term. Subject to the covenants, conditions and provisions of this A&R Sublease, Organization hereby leases the Premises to Charter School for the Use (as hereinafter defined), and Charter School hereby agrees to lease the same for the Use and for no other purpose, for an initial term (the "Initial Term") beginning at 12:01 a.m. on July 1, 2018, and ending at 11:59 p.m. June 30, 2023.

Section B. Renewal Term. Unless sooner terminated as provided herein, or unless Charter School gives Organization at least sixty (60) days prior notice of its intent not to renew, this A&R Sublease shall automatically renew at the expiration of the Initial Term for an additional term of five (5) years (the "Renewal Term"). Unless otherwise agreed to in writing by the Parties, the Renewal Term shall be at the Base Rent set forth below and upon the same covenants, conditions and provisions as provided in this A&R Sublease, except that there will be no additional renewals unless the Parties expressly so agree in writing. The Initial Term and the Renewal Term, as applicable, being referred to in this A&R Sublease collectively as the "Term".

Article 3. Rent/Security Deposit

Section A. Base Rent. Commencing on the Effective Date and throughout the entire Term, Charter School covenants and agrees to pay to Organization base rent for the use of the Premises ("Base Rent") pursuant to Section D below. The amount of Base Rent shall be as follows:

Year	Sublease Period	Annual Base Rent
1	July 1, 2018 – June 30, 2019	$1,494,200.00
2	July 1, 2019 – June 30, 2020	$1,531,555.00
3	July 1, 2020 – June 30, 2021	$1,569,844.00
4	July 1, 2021 – June 30, 2022	$1,609,090.00
5	July 1, 2022 – June 30, 2023	$1,649,317.00
6*	July 1, 2023 – June 30, 2024	$1,690,550.00
7*	July 1, 2024 – June 30, 2025	$1,741,267.00
8*	July 1, 2025 – June 30, 2026	$1,793,505.00
9*	July 1, 2026 – June 30, 2027	$1,847,310.00
10*	July 1, 2027 – June 30, 2028	$1,902,729.00

*as applicable

Except as expressly stated otherwise in this A&R Sublease, the Base Rent payable herein shall be inclusive of all costs, expenses, and obligations of every kind relating to the Premises including, but not limited to: (i) any and all common area charges, parking lot and driveway maintenance, lighting and plowing charges and assessments; (ii) any and all insurance associated with the Premises; and (iii) any and all utility service charges associated with the Premises.

Section B. Security Deposit. Upon execution of the Sublease, Charter School paid a Security Deposit in the total amount of Ten Thousand Dollars ($10,000.00) for the full and faithful performance by Charter School of the terms of the Sublease (the "Security Deposit"), to be returned to Charter School, without interest, after Charter School has vacated the Premises and upon the full performance of the provisions of the Sublease. Organization hereby acknowledges receipt and possession of the Security Deposit and further acknowledges that the Security Deposit as originally paid upon execution of the Sublease will be applied as the Security Deposit under this A&R Sublease. Charter School shall not use the Security Deposit as Rent. Organization shall have the right, but not the obligation, to apply any part of the Security Deposit to cure any default of Charter School and if Organization does so, Charter School shall upon demand, deposit with Organization the amount so applied so that Organization shall have the full Security Deposit on hand at all times during the Term. Organization shall not be obligated to hold the Security Deposit in a separate fund but may commingle it with other funds. No interest shall be paid by Organization to Charter School on such Security Deposit.

Section C. Additional Rent. Any other sums of money other than Base Rent that become due to Organization under this A&R Sublease, if any, shall be deemed Additional Rent ("Additional Rent") and shall be subject to all of the provisions of this A&R Sublease relating to the payment of Base Rent. Base Rent and Additional Rent are collectively referred to in this A&R Sublease as "Rent".

Section D. Payment. Base Rent shall be payable in equal monthly installments, and each installment payment shall be due and payable in advance on the first day of each calendar month during the Term without further notice or demand by Organization and without set-off, abatement or deduction of any kind to Organization at such place designated by written notice from Organization to Charter School. A late fee of 5% of the monthly payment will be applied to those payments that are more than thirty (30) days past due.

Article 4. "As is and Where is" Condition; Use; Certain Additional Covenants

Section A. Organization represents and warrants to Charter School: (i) that the Master Lease is in full force and effect and that Organization is duly authorized under the Master Lease to execute this A&R Sublease; (ii) that this A&R Sublease, once executed by Organization, constitutes a valid and binding agreement, enforceable against Organization; and (iii) that, as of the Effective Date, Charter School is not in default under the Sublease.

Section B. Subject to Organization's obligations under Article 8 and Article 22 hereof, Charter School acknowledges and agrees that the Premises are being delivered to Charter School in "As Is and Where Is" condition; and that Charter School has done its due diligence investigation of the Premises and has accepted the condition of the Premises, including its determination of suitability of the Premises for the Use.

Section C. During the Term, Charter School shall have the right to use the Premises to operate a charter school for grades Kindergarten through Fifth and for related instructional purposes, school-related activities, and administrative offices only (collectively, the "Use"), and for no other purpose.

Section D. Charter School further covenants and agrees:

1. Not to use or occupy, or allow the Premises to be used or occupied, for any unlawful purpose and not to suffer any act to be done or any condition to exist on the Premises, or any article to be brought thereon, that may be dangerous, unless safeguarded as required by Applicable Laws (as hereinafter defined), or that may constitute a nuisance, public or private, or that may make void or voidable any insurance then in force with respect thereto.

2. Not to suffer or permit the Premises to be used (i) by the public without restriction, (ii) in such manner as might reasonably tend to impair Owner's title to the Premises or (iii) as might reasonably make possible a claim or claims of adverse usage, adverse possession or prescription by the public, or of implied dedication or other similar claims of, in, to or with respect to the Premises.

3. To prohibit smoking in or on the Premises.

4. To recognize that Owner is a religious corporation operated under the auspices of the Roman Catholic Church, and to acknowledge that it is therefore of utmost importance to Owner that the Premises (including any improvements hereafter made thereto) not be used or altered in any way that would violate any of the restrictions or covenants set forth below:

a. Charter School covenants that it shall not permit or conduct any obscene performances in violation of Section 235.00 of the New York Penal Law on the Premises hereby leased or permit them to be used for any obscene or pornographic purposes or activities including, without limitation, the sale, or distribution of any obscene or pornographic material. The terms "obscene", "material" and "performances" shall be defined for purposes of this covenant as they are defined in Section 235.00 of the New York Penal Law, and

b. Charter School further covenants that it shall not use, permit or suffer the Premises to be used or occupied for the purpose of performing any abortions or euthanasia proceedings or providing any counseling or advice relating to abortions, birth control or euthanasia or place any signs or advertising on or about the Premises that relate to abortion, birth control or euthanasia.

c. Charter School recognizes and agrees that a violation of any of the restrictions in clauses (a) and (b) of this Article 4, Section D.4 above would be seriously damaging and harmful to the reputation and standing of Owner as a religious corporation. Charter School hereby stipulates and agrees that any violation of any of the use restrictions shall entitle Organization and/ or Owner to seek an injunction in any court of competent jurisdiction in the State of New York enforcing said use restrictions.

5. That all Health Resource Room Services, HIV/AIDS Curriculum, Family Living Curriculum covering sex education and any successor health education curriculum covering sexuality shall be provided off site to students at an alternate facility.

6. To abide by and conform to reasonable rules and regulations from time to time adopted or prescribed by Organization for the governance and management of the Premises, provided such rules are not in conflict with or in violation of Charter School's Charter and laws governing New York Charter Schools.

7. To pay Organization on demand any sum which may become due to Organization for additional service, accommodations, or materials furnished or loaned by Organization, which sum shall be deemed Additional Rent hereunder.

Article 5. Academic Standards

Organization's corporate purposes include the fostering and development of the education of students at the primary and secondary educational levels. Therefore, as part of the consideration for Organization's granting of this A&R Sublease, Organization requires that Charter School meet the educational accountability and performance standards (the "Academic Standards") contained in Charter School's charter issued by its authorizer, the State University of New York (the "Authorizer"), as such Academic Standards may be amended from time to time. Organization will monitor Charter School's academic performance to ensure that it meets the Academic Standards, and on an annual basis, Charter School shall send a written report to Organization together with copies of all data submitted to the Authorizer regarding its academic performance and shall also send Organization all assessments and reports issued by the Authorizer regarding or related to Charter School's performance vis-à-vis the Academic Standards. Based on its review of the foregoing, should Organization determine, exercising reasonable judgment, that Charter School has materially failed to meet the Academic Standards, Organization shall notify Charter School within ten (10) business days of its determination (the "Notice").

Failure to Meet Academic Performance Standards: Charter School shall have a period of sixty (60) days after the date of the Notice to develop and submit to Organization a plan pursuant to which Charter School will remedy any deficiencies and achieve the Academic Standards in the next school year. In the event that Organization, within a period of sixty (60) days after receipt of such a plan, determines that such plan has a reasonable likelihood of success, Charter School shall be given one full school-year to implement such plan. If Charter School either (a) does not submit such plan to Organization within the sixty (60) day time period or (b) fails to achieve the Academic Standards within the next full school year, Organization shall have right to terminate this A&R Sublease at the conclusion of the applicable school year. Notwithstanding the foregoing, Organization will accept any remediation plan approved by the Authorizer, and shall not have the right to terminate this A&R Sublease so long as Charter School's academic performance is in compliance with such remediation plan, as determined by the Authorizer.

Article 6. Sublease and Assignment; Subordination; Foreclosure and Attornment

Section A. Sublease and Assignment. Subject in all cases to Master Landlord's approval rights in Article 13 of the Master Lease and subject to Charter School's complying with all of the obligations imposed on the Tenant in Article 13 of the Master Lease and subject to the proposed assignee being a New York State duly-authorized charter school, Charter School shall have the right to assign this A&R Sublease to any subsidiary of Charter School, or to any corporation under common control with Charter School, upon advance written notice to Organization with full disclosures of the assignee's corporate structure and principal owners. Charter School shall not

sublease all or any part of the Premises, or otherwise assign this A&R Sublease in whole or in part (1) without Organization's prior written consent, such consent in the case of a sublease to a New York State duly-authorized charter school shall not to be unreasonably withheld or delayed, but in all other cases may be withheld in the sole discretion of Organization, and (2) without the prior written consent of Master Landlord. Notwithstanding that Organization may not unreasonably withhold its consent to an assignment of this A&R Sublease to a New York State duly-authorized charter school, the Parties acknowledge and agree that Organization agreed to enter into this A&R Sublease with Charter School because of the strength of Charter School's leadership and educational and operational plan; and Organization's evaluation of any proposed charter school assignee for purposes of Organization's consenting to such an assignment will include similar criteria. If Charter School assigns this A&R Sublease or subleases the Premises in whole or in part without conforming to all of the terms and conditions of this Section 6A, the proposed assignment or sublease shall be voidable at Organization's or Master Landlord's option. As used in this A&R Sublease, the phrase "duly authorized charter school" shall mean a New York State not-for-profit education corporation organized pursuant to Article 56 of the New York State Education Law, as amended.

Section B. Subordination. This A&R Sublease and all rights of Charter School hereunder are, and shall remain, subject and subordinate in all respects to any mortgage(s) and ground or underlying lease(s) affecting the Building and/or the Premises and/or Organization's leasehold interest in the Premises (including without limitation any mortgage granted by Organization in favor of the Lender), and to all renewals, modifications, replacements and extensions thereof. The provisions of this Section 6B relating to subordination shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, however, Charter School shall execute and deliver promptly any certificate or other instrument, which Organization or Master Landlord or any mortgagee or ground or underlying lessee may reasonably request. Upon request of Organization, Charter School will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust to any bank, insurance company or other lending institution, now or hereafter in force against the Premises or Organization's leasehold interest in the Premises, including any buildings hereafter placed upon the Premises, and to all advances made or hereafter to be made upon the security thereof.

Section C. Foreclosure; Attornment. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Organization covering the Premises (or Organization's leasehold interest in the Premises), Charter School shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Organization under this A&R Sublease. The provisions of this Article 6 to the contrary notwithstanding, and so long as Charter School is not in default hereunder, this A&R Sublease shall remain in full force and effect for the full Term, and Organization agrees to procure a non-disturbance agreement from any mortgage lenders, and will make reasonable efforts to obtain the same from any mortgage lenders of Master Landlord. In addition, by its execution of this A&R Sublease, Lender agrees that in the event it institutes foreclosure proceedings affecting the Premises, it will not disturb Charter School's leasehold interest hereunder, so long as at such time Charter School is not in default hereunder and agrees in writing to attorn to any new sub-lessor.

Section D. Certificates. Charter School, at any time and from time to time upon not less than ten (10) days' prior request from Organization, shall execute, acknowledge and deliver a statement

certifying: (i) that this A&R Sublease is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this A&R Sublease, as so modified, is in full force and effect (or specifying the ground for claiming that this A&R Sublease is not in force and effect); (ii) the date to which Rent has been paid; (iii) the amount of any Security Deposit; (iv) that Charter School is in possession of the Premises; (v) that Charter School is paying Rent on a current basis with no offsets, defenses or claims, or specifying the same if any are claimed; (vi) that, to Charter School's knowledge, there are no uncured defaults on the part of Organization or Charter School which are pertinent to the request, or specifying the same if any are claimed; and (vii) such other matters as Organization may reasonably request, or as may be requested by Organization's current or prospective mortgagee(s), insurance carriers, auditors and prospective purchasers (and including a comparable certification statement from any subtenant respecting its sublease). Any such statement may be relied upon by any of such parties. If Charter School shall fail to execute and return such statement within the time required herein, Charter School shall be deemed to have agreed with the matters set forth therein and Organization, acting in good faith, shall be authorized as Charter School's agent and attorney-in-fact to execute such statement on behalf of Charter School (which shall not be in limitation of Organization's other remedies hereunder).

Article 7. Repairs

During the Term, Charter School shall maintain the Premises in good condition, order and repair. Organization shall promptly make, at Organization's cost and expense, all necessary repairs, replacements and maintenance to the Premises (interior and exterior), except as otherwise specifically set forth in this Article 7 and in Article 8. Repairs and maintenance that are Organization's responsibility shall include, but not be limited to, such items as snow and ice removal, maintenance, repairs and replacement of windows, floors, walls, ceilings and mechanical, plumbing, heating, and air-conditioning and electrical systems, except as hereinafter provided. Charter School shall be responsible for the following capital improvements, replacements or repairs: roof, structural components, building envelope, and heating and cooling apparatuses, including any furnace, boiler, air handler, and chiller, provided, however, that Organization shall be responsible for any of the foregoing repairs and replacements directly caused by the negligent act or omission of Organization, its employees, contractors, agents, invitees or guests. In the event Charter School believes the Premises to be in a state of disrepair or that a particular repair is needed immediately, Charter School may schedule and perform such repair, provided, however, that Organization shall reimburse Charter School for any and all costs and expenses incurred as a result of such repair. Notwithstanding the foregoing, Organization shall not be responsible for maintenance, repairs and replacements to the extent necessitated by the negligence of Charter School's employees, officers, directors, contractors, or agents.

All repairs shall be done in a good and workmanlike manner by qualified contractors. The Party responsible for performing repairs (the "Repairing Party") shall keep the Premises and all parts thereof at all times free from mechanic's liens and any other lien for labor, services, supplies, equipment or material purchased or procured, directly or indirectly, by or for either Party. Repairing Party will promptly pay and satisfy all liens or contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify the non-Repairing Party against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit in discharging

the Premises, from any liens, judgments, or encumbrances caused or suffered by the non-Repairing Party. In the event such lien shall be made or filed, Repairing Party shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the Parties that in the event any expenses, costs and charges become due to Organization by reason of the foregoing, such expenses, costs and charges shall be considered Additional Rent due and payable with the next installment of Base Rent.

Neither Party shall not have any authority to create any liens for labor or material on the other Party's interest in the Premises and all persons contracting with the Repairing Party for the construction or removal of any facilities or other improvements on or about the Premises, and all materialmen, contractors, mechanics, and laborers are hereby charged with notice that they must look only to the Repairing Party and to Repairing Party's interest in the Premises to secure the payment of any bill for work done or material furnished at the request or instruction of Repairing Party.

In accordance with New York law, and to the extent permitted under this A&R Sublease, Organization shall have the right to post on the Premises and to file and/or record in the Public Records or court registry, as applicable, notices of non-responsibility and such other notices as Organization may reasonably deem proper for the protection of Organization's interest in the Premises.

Nothing in this Article 7 or in Article 8 shall prevent Charter School from making repairs or alterations reasonably necessary to protect the health, safety and welfare of students.

Article 8. Alterations and Improvements

Section A. Prior to the Effective Date, Organization has performed and completed certain renovation work on the Premises in accordance with the Sublease. The Parties acknowledge that all renovation work required thereunder is complete and that all required certificates of occupancy were obtained and made available to Charter School in accordance with the Sublease. In the event that Charter School determines that any repairs that are the obligation of Charter School under Article 7 hereof have been caused or necessitated by defective renovation work, Organization will assign to Charter School its contractual rights against the contractor who performed such defective work.

Section B. Charter School, at Charter School's cost and expense, shall have the right, following receipt of the written consent of Organization, which shall not be unreasonably withheld, to remodel, redecorate, and make additions, improvements and replacements to the Premises from time to time as Charter School may deem desirable so long as Charter School also complies with the requirements imposed on the Tenant in Article 8 of the Master Lease. Charter School shall have the right to place and install personal property, fixtures, equipment and other temporary installations in and upon the Premises, and fasten the same to the Premises. All personal property, equipment, machinery, fixtures and temporary installations, whether acquired by Charter School at the commencement of the Term or placed or installed on the Premises by Charter School thereafter, shall remain Charter School's property free and clear of any claim by Organization. All additions and improvements must be done in accordance with the terms of Article 6 herein and Article 8 of the Master Lease.

Article 9. Taxes

Section A. Organization hereby represents to Charter School that the Premises are currently exempt from Taxes. In the event the Premises become taxable, in whole or in part, Charter School shall pay, as Additional Rent, eighty (80%) percent of Taxes as they become due, as provided more fully below. For purposes of this Article 8, "Taxes" shall mean all real estate taxes, assessments, sewer rentals, county taxes or any other governmental charges, whether federal, state, city, county or municipal, and whether general or special, ordinary or extraordinary, foreseen or unforeseen, which may now or hereafter be levied, imposed or assessed against the Premises. In the event of a future change in the method of taxation, any franchise, income, profit or any other charge which shall be levied, imposed or assessed against such real property in substitution in whole or in part for or in lieu of any tax, assessment or other charge which would otherwise constitute Taxes under the foregoing provisions of this subsection, shall be deemed to be Taxes for the purpose hereof.

Section B. Organization shall pay any Taxes on the Premises. Organization shall submit to Charter School true copies of the bills for Taxes for any taxable period included within the Term within fifteen (15) days of Organization's receipt of same. To the extent that the tax bill is for a tax parcel that includes the Premises and other lands of Organization (that are not otherwise tax exempt), Organization shall also provide, upon Charter School's request, a statement showing Charter School's proportionate share of such Taxes and the method used to calculate such share. Charter School shall pay its portion of the Taxes to Organization within fifteen (15) days of receipt of the applicable Tax bill (and proportionate share statement, if applicable). In the event that Charter School does not make such payment within such period and as a result of such nonpayment penalties, interest or both are added to the Taxes, then Charter School shall reimburse Organization for 100% of such penalties, interest or both, as Additional Rent.

Section C. Each Party shall have the right to commence, at its own expense, legal or other proceedings to obtain a reduction in Taxes and the other Party agrees to reasonably cooperate, at the protesting Party's cost and expense, in making all necessary applications or filings to seek such reduction. Nothing herein contained shall obligate either Party to make application for, or otherwise commence legal or other proceedings to obtain, a reduction in Taxes. All attorneys' fees and other expenses incurred by either Party in seeking a reduction of Taxes shall be the sole responsibility of such Party. In no event shall (i) any reduction in Taxes result in a decrease in the total amount of the Base Rent payable under this A&R sublease or (ii) any such adjustment be chargeable against any other item of Additional Rent.

Section D. Any payment of Taxes due under this Article 8 for any period occurring within the Term or any renewal or extension hereof, or any period of retention of possession by Charter School as a hold-over or otherwise, for less than the full period covered by such tax bill occurring at the commencement or expiration of the Term shall be apportioned so that Charter School shall pay only that 80% portion thereof that corresponds with its period of occupancy in the Premises.

Section E. Charter School's obligation to pay any amount as provided in this Article 8 shall survive the Expiration Date.

Article 10. Insurance

Section A. Organization shall be fully responsible for the cost of either: (i) the property insurance

coverage procured by Organization pursuant to the Master Lease, or (ii) the reimbursement that Organization pays to Master Landlord for such coverage. Organization will supply Charter School with a copy of all policies of property insurance covering the Building and/or Premises. If Organization procures the property insurance, it shall name Charter School as a loss payee as its interests may appear, and if Master Landlord procures this insurance, Organization shall use reasonable efforts to have Master Landlord list Charter School as a loss payee on the policy, as its interests may appear. To the extent of all applicable property insurance coverage, each Party hereby waives any and all right of recovery that it may have against the other Party for property loss to the Building or the Premises. If Organization procures such insurance, it shall cause its insurer(s) to waive any and all rights of subrogation against Charter School with respect to losses payable under the applicable policy. If Master Landlord procures such insurance, Organization shall use reasonable efforts to obtain the same waivers from Master Landlord and Master Landlord's insurer(s). In the event that Charter School is not named as a loss payee, Organization agrees to receive all property insurance proceeds paid as a result of a casualty occurrence as a trustee for the interests of itself and Charter School, and will utilize such proceeds solely for the purpose of effecting repairs and/or reimbursing itself and Charter School for the losses incurred.

Section B. Throughout the Term, each Party, at its own cost, shall procure and maintain comprehensive general public liability insurance in the amounts and with the specifications set forth in Section 10.01 of the Master Lease. Each policy so procured by a Party shall name the other Party, and Master Landlord and those other persons listed in Section 10.03 of the Master Lease, as additional insureds.

Section C. Each Party will provide the other with the copies of the relevant insurance policies and costs within thirty (30) days of this A&R Sublease, and thereafter as requested by the other Party.

Section D. Charter School acknowledges that it shall be responsible for obtaining its own policies of insurance with respect to its business and personal property, and for workers compensation.

Article 11. Utilities

Organization shall pay or cause to be paid all charges and costs associated with Charter School's use of utilities and other services servicing the Premises including, but not limited to, water, sewer, gas, electricity, trash removal, landscape and lawn maintenance and other services (collectively, the "Utilities").

Organization shall not be liable or responsible to Charter School in any way for any liability, loss, damage or expense, including consequential damages, which Charter School may sustain or incur by reason of any failure, inadequacy, defect or change in the character, quantity or supply of gas or electric energy or water furnished to the Premises, or any interruption in providing gas, water and electric energy to the Premises for any reason whatsoever but for Organization's failure to pay for such Utilities as required hereunder. Organization shall not be liable or responsible to Charter School in any way for any liability, loss, damage or expense, including consequential damages, that Charter School may sustain or incur by reason of any failure, inadequacy, defect or change in the character, quantity or supply of gas or electric energy or water furnished to the Premises, or any interruption in providing gas, water or electric energy to the Premises for any reason whatsoever but for Organization's failure to pay for such Utilities as required hereunder.

Article 12. Signs

Charter School will have the right, at its sole cost and expense, to place its name, its standard logo and the words a "New York Charter School" on the exterior of the Building in a location reasonably acceptable to Organization. Charter School shall not place any other signs on the Premises without the approval of Organization, which shall be in the sole discretion of Organization. Following Organization's written consent to the location, form, size, description, wording and content which consent shall be in Organization's sole discretion, Charter School shall have the right, at its sole cost and expense, to place on the Premises signs which are permitted by applicable zoning ordinances. Organization shall reasonably assist and cooperate, at Charter School's cost and expense, with Charter School in obtaining any necessary permission from governmental authorities for Charter School to place or construct the foregoing signs, but Organization shall not be required to incur any cost or expense in providing such assistance. Charter School shall pay for or repair, at Organization's option, any damage to the Premises from the installation of the signs. Upon the expiration or earlier termination of this A&R Sublease, Charter School shall remove the signs and repair any damage to the Premises resulting from the removal of signs by Charter School.

Article 13. Entry

Organization, or its representatives, and Master Landlord, or its representatives, shall all have the right to enter upon the Premises with reasonable notice and at reasonable hours of any day during the Term to inspect same, unless there is an emergency (in which case entry may be made at any time without advance notice), and provided Organization shall not thereby unreasonably interfere with Charter School's activities on the Premises. Organization shall also have the right to show the Premises to other potential users at any time.

Article 14. Damage to Premises

If the Premises or any part thereof is so damaged by fire, flood, wind, hurricane, act of God, act of war, casualty or structural defects that the same cannot be used for Charter School's purposes as determined by Charter School and Organization, then either Party shall have the right within ninety (90) days following damage to elect by notice to terminate this A&R Sublease as of the date of such damage. In the event of minor damage, which shall be defined as damage, the cost of which to repair shall not exceed Fifty Thousand dollars ($50,000), to any part of the Premises, and if such damage does not render the Premises unusable for Charter School's purposes, Charter School shall promptly repair such damage at the cost of Charter School, but only if all applicable insurance proceeds shall be made available to Charter School for such repairs. All repairs must be done in accordance with the terms of Articles 7 and 8 herein.

Charter School shall be relieved from paying Rent and other charges during any portion of the Term that the Premises are inoperable or unfit for occupancy in whole or in part due to such damage; provided, however, that if only a portion of the Premises is inoperable or unfit for occupancy, then the Rent shall be reduced (but not relieved entirely) by an equitable amount. The provisions of this Article 14 extend not only to the matters aforesaid, but also to any occurrence that is beyond the Parties' reasonable control and that renders the Premises inoperable or unfit for occupancy and/or the Use, in whole or in part.

Article 15. Eminent Domain

If the all or substantially all of the Premises is appropriated or taken by eminent domain, this A&R Sublease shall terminate and expire as of the date of title vesting in such proceeding, and Organization and Charter School shall thereupon be released from any further liability hereunder. If a part of the Premises is taken by eminent domain and same renders the Premises untenable, as determined by Organization and Charter School, then this A&R Sublease and the Term shall terminate as aforesaid. If such partial taking does not render the Premises untenable, as determined by Organization and Charter School, then this A&R Sublease shall continue in effect except that the Rent amount shall be reduced on an equitable basis. Charter School shall not be entitled to, and expressly waives all claim to any condemnation award for any taking whether whole or partial, except, however, that Charter School shall be permitted to bring a separate claim for its damages caused by reason of the taking.

Article 16. Vault Space

No vaults, vault space or area, whether enclosed or covered, not within the property line of the Building is leased hereunder, anything contained in or indicated on any sketch, blueprint or plan or anything contained elsewhere in this Lease to the contrary notwithstanding. Organization makes no representation as to the location of the property line of the Building. All vaults and vault space and all such areas not within the property line of the Building, which Charter School may be permitted to use and/or occupy by Organization in writing, are to be used and/or occupied under a revocable license, and if any such license shall be revoked, or if the amount of such space or area shall be diminished or required by Organization or any federal, state or municipal authority or public utility, Organization shall not be subject to any liability nor shall Charter School be entitled to any compensation or diminution or abatement of Rent, nor shall such revocation, diminution or requisition be deemed a constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault or area shall be paid by Organization.

Article 17. Default

If default shall at any time be made by Charter School in the payment of Rent due to Organization pursuant to this A&R Sublease, and if the default shall continue for fifteen (15) days after written notice thereof shall have been given to Charter School by Organization, or if material default shall be made in any of the other covenants or conditions to be kept, observed and performed by Charter School, and such default shall continue for thirty (30) days after notice thereof in writing to Charter School by Organization without correction thereof then having been commenced and thereafter diligently prosecuted by Charter School and in all events cured within sixty days of such notice, or if Charter School shall abandon or vacate the Premises for a period of thirty (30) days other than in accordance with its typical academic schedule, then Organization, at any time thereafter and at Organization's option, may give to Charter School a five (5) day notice of termination of this A&R Sublease (the "Default Termination Notice") and, in the event such Default Termination Notice is given, this A&R Sublease and the Term shall come to an end and expire (whether or not the Term shall have commenced) upon the expiration of such five (5) days with the same effect as if such date of expiration were the date originally set for the expiration of this A&R Sublease. Notwithstanding any such termination by Organization, Charter School shall remain liable for damages pursuant to the provisions of Article 17 hereof.

Following the expiration of the time period set forth in the Default Termination Notice, Organization shall have the right to re-enter the Premises, following summary proceedings or by any other applicable action or proceeding and may repossess the Premises and dispossess Charter School and any other persons from the Premises and remove any and all of their property and effects therefrom. In addition, Organization shall have any and all of the rights or remedies available to a landlord on account of any Charter School default, including, without limitation, holding Charter School immediately liable for, and requiring Charter School to pay to Organization, all Base Rent due and which would have become due under this A&R Sublease if this A&R Sublease had not been so terminated and claims for other damages and injunctive relief, either in law or equity. Organization shall use reasonable efforts to mitigate its damages.

Article 18. Notice

Any notice required or permitted under this A&R Sublease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, or by a nationally-recognized overnight delivery service (such as Federal Express), addressed as follows:

If to Organization to:
Seton Education Partners
601 Montgomery Street, Suite 675
San Francisco, CA 94111
Attn: Scott Hamilton

If to Charter School to:
Brilla College Preparatory Charter Schools
413 East 144th Street
Bronx, NY 10454
Attn: Principal

Organization and Charter School shall each have the right from time to time to change the place notice is to be given under this Article 18 by written notice thereof to the other Party.

Article 19. Headings

The headings used in this A&R Sublease are for convenience of the Parties only and shall not be considered in interpreting the meaning of any provision of this A&R Sublease.

Article 20. Successors

The provisions of this A&R Sublease shall extend to and be binding upon Organization and Charter School and their respective legal representatives, successors and permitted assigns.

Article 21. Consent

Except as expressly provided herein, Organization shall not unreasonably withhold or delay its consent with respect to any matter for which Organization's consent is required or desirable under this A&R Sublease.

Article 22. Cooperation

Charter School, at its sole cost and expense, shall have the right to take all steps necessary to seek any and all approvals as may be required or desired by Charter School in connection with Charter School's improvements. Organization, at Charter School's expense, agrees to reasonably cooperate with Charter School in obtaining such approvals and permits, including by submitting information and executing documents as may be reasonably requested by Charter School, but Organization shall not be required to incur any cost or expense in providing such cooperation. Charter School shall not seek or apply for any government approvals, permits or amendments not related to the Use.

Organization agrees to reasonably cooperate, at Charter School's cost and expense, in connection with Charter School's obtaining all Municipal Certificates of Use as required by law, including, without limitation, by submitting information and executing documents as may be reasonably requested, but Organization shall not be required to incur any cost or expense in providing such cooperation. Organization shall reasonably cooperate with Charter School, at Charter School's cost and expense, in providing such affidavits required by Charter School's Charter or by law, but Organization shall not be required to incur any cost or expense in providing such cooperation.

Article 23. Performance

If there is a material default with respect to any of Charter School's covenants, warranties or representations under this Agreement, and if the default continues more than thirty (30) days after notice in writing from Organization to Charter School specifying the default, Organization shall have any right or remedy available to Organization on account of any Charter School default, including claims for damages and injunctive relief, either in law or equity at its option and may (but shall not be obligated to) without affecting any other remedy hereunder, cure such default and add the reasonable cost thereof, as Additional Rent, to the next accruing installment or installments of Rent payable hereunder until Organization shall have been fully reimbursed for such expenditures. If this Agreement terminates prior to Organization's receiving full reimbursement, Charter School shall pay the unreimbursed balance.

Article 24. Compliance with Applicable Laws

Charter School, at its sole cost and expense, shall promptly comply with all present and future laws, orders, rules, regulations, ordinances and other governmental requirements of all federal, state, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law and all orders, rules and regulations of the New York Board of Fire Underwriters or any similar body (collectively, "Applicable Laws") pertaining to Charter School's Use and occupancy of the Premises. Organization shall comply with all Applicable Laws relating to the Use of the Premises. Charter School shall pay to Organization as Additional Rent all costs, expenses, fines, penalties or damages which may be imposed upon Organization, Master Landlord or Charter School by reason of Charter School's failure to comply with the provisions of this Article 24 and, if by reason of such failure, the fire insurance rate during the Term shall be higher than it otherwise would be, then Charter School shall reimburse Organization as Additional Rent, for that portion of all insurance premiums thereafter required to be paid by Organization pursuant to the terms of the Master Lease that shall have been charged because of such failure by Charter School, and shall make such reimbursement upon the first (1st) day of the calendar month following the payment thereof by Organization.

Article 25. Final Sublease

This A&R Sublease contains all of the agreements between the Parties. This A&R Sublease terminates and supersedes all prior understandings or agreements on the subject matter hereof including, but not limited to, the Sublease, provided, however, that any obligation of either Party that remains outstanding as of the Effective Date and/or any obligation which, by the terms of the Sublease, is intended to survive any termination or expiration of the Sublease, shall survive the execution and delivery of this A&R Sublease. This A&R Sublease may be modified only by a further writing that is duly executed by both Parties. There are no oral agreements, terms, representations or warranties not otherwise set forth herein.

Article 26. Conflicts

If any term or provision of this A&R Sublease, or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of the terms of this A&R Sublease shall not be affected thereby.

Article 27. Termination

This A&R Sublease may be terminated by either Party by providing written notice not less than 180 days prior to the start of either the fall or spring semesters of Charter School's academic calendar. Should Charter School's charter with the State of New York be terminated or not renewed during the Term, either Party may terminate this A&R Sublease by giving thirty (30) days' notice thereof in writing to the other Party. Organization may elect to terminate this A&R Sublease at any time by providing ninety (90) days written notice to Charter School. If Organization terminates under this 90 days provision, it shall pay Charter School a termination charge equal to six (6) times the prior month's Rent at the time of termination. Charter School shall vacate the Premises prior to the date set for termination in any notice given pursuant to this Article 27 and shall deliver possession of the Premises to Organization in the same condition as Charter School is obligated to surrender the Premises as provided in Article 33 hereof.

Article 28. Governing Law

This A&R Sublease shall be governed, construed and interpreted by, through and under the Laws of the State of New York, without regard to principles of choice of law, and venue and jurisdiction shall lie exclusively in the Courts of New York.

Article 29. No Partnership or Joint Venture

Nothing contained in this A&R Sublease shall be deemed or construed as creating a partnership, joint venture, or any other common enterprise between Organization and Charter School.

Article 30. Due Diligence

Charter School specifically acknowledges that it has the sole responsibility for conducting the utmost level of care, due diligence and background checks on all of its officers, directors, employees, volunteers, and agents in the operation of the charter school on the Premises in order to provide protection of the welfare of the children attending the school on the Premises. In accordance therewith, Charter School shall at all times fully comply with all Applicable Laws

governing same, whether existing now or in the future.

Article 31. Indemnification

Charter School and Organization (each an "Indemnitor") shall each indemnify and save the other Party, its officers, directors and employees (collectively, the "Indemnitees") harmless from and against, and shall reimburse the Indemnitees for, all liabilities, losses, obligations, actions, proceedings, damages, fines, penalties, claims, demands, costs, charges, judgments and expenses, whether founded in tort, in contract, or otherwise, including without limitation attorney's fees and costs, which may be imposed upon or incurred or paid by or asserted against the Indemnitees or the Indemnitees' interest in the Premises by reason of or in connection with or arising out of the Premises or any area allocated to or used by the Indemnitor or its agents, contractors, officers, directors, employees, students, agents, guests, patrons, invitees, or any act or omission of the Indemnitor or the Indemnitor's contractors, officers, directors, employees, invitees, students, guests, patrons, agents, or any change, alteration or improvement made by the Indemnitor in or to the Premises or relating to any business or other activities conducted therein, except to the extent that such liabilities, losses, obligations, actions, proceedings, damages, fines, penalties, claims, demands, costs, charges, judgments or expenses are caused by the negligence or other culpable conduct of the Indemnitees.

Article 31. Time of Essence

Time is of the essence in the performance of Charter School's duties and obligations contained in this A&R Sublease.

Article 32. Attorney's Fees

If any legal action is brought seeking enforcement of the provisions of this A&R Sublease, the substantially prevailing Party shall be entitled to the recovery of reasonable attorney's fees and costs.

Article 33. Surrender of Premises

On the date of the expiration or earlier termination of this A&R Sublease (the earlier of such dates being referred to as the "Expiration Date"), Charter School shall surrender and deliver the Premises into the possession and use of Organization without delay and in good order, condition, and repair, reasonable wear and tear, and damage and other casualty (to the extent not required to be repaired by Charter School hereunder) excepted, and free and clear of all liens and encumbrances created, or suffered to be created, by Charter School.

All fixtures, paneling, partitions, railings and like installations, installed in the Premises at any time either by Charter School or by Organization on Charter School's behalf, shall remain upon and be surrendered with the Premises on the Expiration Date. Charter School shall not have any claim to any benefit, any increase in rental value or any reimbursement for its costs relating to any additions, alterations or improvements upon the surrender of the Premises on the Expiration Date.

Where furnished by or at the expense of Charter School or its subtenant(s), items of furniture, trade fixtures and business equipment (not constituting part of the Premises) shall be removed by Charter School from the Premises at or prior to the Expiration Date, provided, however, that the removal

thereof shall not cause any damage to any portion of the Premises, including without limitation, the Building. Organization's cost of repairing such damage, if any, shall be deemed Additional Rent and shall be paid by Charter School within seven (7) days after Organization's demand therefor.

Any property which shall remain in, at or on the Premises after the Expiration Date may be deemed by Organization to have been abandoned by Charter School or by its subtenant(s). Such property may be retained by Organization as its property or may be disposed of, without accountability or liability, in such manner as Organization deems appropriate at Charter School's cost and expense (such cost or expense to be deemed Additional Rent and shall be paid by Charter School within seven (7) days after Organization's demand therefor).

No act or thing done by Organization or Organization's agents during the Term shall be deemed an acceptance of a surrender of the Premises or of any remaining portion of the Term, and no agreement to accept such surrender shall be valid, unless in writing signed by Organization. No employee of Organization or Organization's agent(s) shall have any power to accept the keys to the Premises prior to the Expiration Date, and the delivery of keys by Charter School to any such agent or employee shall not operate as a termination of this A&R Sublease or a surrender of the Premises.

Charter School expressly waives any right, which Charter School may have under the provisions of the New York Civil Practice Law and Rules and of any successor law of like import then in force in connection with any holdover summary proceedings which Organization may institute to enforce the provisions of this Article 34.

The provisions of this Article 34 shall survive the Expiration Date.

Article 35. Master Lease

Section A. Except and to the extent that the same are inapplicable or inconsistent with the express terms of this A&R Sublease, Charter School shall observe and perform all of the terms and provisions in the Master Lease to be observed and performed by the "Tenant" under the Master Lease. Charter School acknowledges and agrees that in case of any conflict between the terms of the Master Lease and the terms of this A&R Sublease, the terms of the Master Lease shall control.

Section B. If at any time during the Term, the Master Lease shall terminate for any reason, at the election and upon demand of any owner of the Premises, of any mortgagee in possession thereof or of any holder of a leasehold affecting the Premises, Charter School shall attorn to any such owner, mortgagee or holder upon the terms and conditions set forth in the Master Lease for the remainder of the Term. Subject to the provisions of Section C of Article 6. The foregoing agreement to attorn shall be self-operative, without requiring any further instrument to give effect to such provision; however, upon demand of any such owner, mortgagee or holder, Charter School shall execute, from time to time, an instrument in confirmation of the foregoing.

Article 36. Holdover

In the event Charter School remains in possession of the Premises after the Expiration Date without the execution of a new lease or extension agreement (TIME BEING OF THE ESSENCE with respect to the Expiration Date), Charter School shall be liable to Organization for: (i) all losses

and damages which Organization may reasonably incur by reason of such hold-over including, without limitation, attorneys' fees and disbursements and lost opportunities (and/or new leases) by Organization to re-let the Premises (or any part thereof) and damages and liabilities incurred by Organization under the Master Lease, and Charter School shall indemnify Organization against all claims made by any succeeding tenants or Master Landlord against Organization or otherwise arising out of or resulting from Charter School's failure timely to surrender and vacate the Premises on the Expiration Date in accordance with the provisions hereof; and (ii) a per diem use and occupancy in respect of the entire Premises calculated with respect to an annual rate equal to the greater of (x) two hundred (200%) percent of Base Rent payable hereunder for the last year of the Term or (y) the then fair market rental value of the Premises, as determined by Organization (either of which amounts Organization and Charter School agree is fair and reasonable under the circumstances and is not, and shall not be deemed to be, a penalty). Charter School shall also be liable to Organization for any payment or rent concession made or provided by Organization to any new tenant for all or any part of the Premises in order to induce such tenant not to terminate its lease with Organization by reason of Charter School's holding-over (including, without limitation, any holdover expenses, rent, damages or liability which shall be borne by the new tenant with respect to its then-existing lease and premises at another building). In no event shall any provision hereof be construed as permitting Charter School to hold-over in possession of the Premises, or any portion thereof, after the Expiration Date. All damages to Organization by reason of such holding-over by Charter School may be the subject of a separate action and need not be asserted by Organization in any summary proceedings against Charter School.

Charter School expressly waives, for itself and for any person claiming through or under Charter School, any rights which Charter School or any such person may have under the provisions of Section 2201 of the New York Civil Practice Law and Rules (and of any successor law of like import then in force) in connection with any holdover summary proceedings which Organization may institute to enforce the foregoing provisions of this Article 36. Anything in this Article 36 to the contrary notwithstanding, the acceptance of any Rent paid by Charter School pursuant to this Article 36 shall not preclude Organization from commencing and prosecuting a holdover or summary eviction proceeding, and the preceding sentence shall be deemed to be an "agreement expressly providing otherwise" within the meaning of Section 232-c of the New York Real Property Law (and of any successor statute of similar import then in force).

Charter School and Organization hereby represent that the undersigned signatories are their duly appointed agents with the full power and authority to bind Charter School and Organization to the terms and conditions of this A&R Sublease.

IN WITNESS WHEREOF, the Parties have executed this A&R Sublease as of the day and year stated below.

Organization:
SETON EDUCATION PARTNERS, INC.

By: Stephanie Sanders

Print Name: [redacted]

Date: [redacted]

Its: [redacted]

Charter School:
BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

By: Eric Eckholdt

Print Name: ERIC J. ECKHOLDT

Date: 7/25/2018

Its: CHAIRMAN

Consented to by:
LENDER:
RAZA DEVELOPMENT FUND, INC.,
a District of Columbia nonprofit corporation

By: _____

Name: Mark Van Brunt

Its: Chief Operating Officer

SCHEDULE 1

LEASEHOLD PERIODS

As of the Effective Date (July 1, 2018), the Leasehold Periods are as follows:

1. All of the Premises: Monday through Friday, 7:15 AM – 3:45 PM.

2. Weekends & Evenings after 5:00 PM, as mutually agreed upon by Organization and Charter School.

3. Throughout the Term, Organization shall provide Charter School with one (1) or more mutually agreed upon administrative offices year-round.

APPENDIX J-3

500 COURTLANDT AVENUE SUBLEASE

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FIRST AMENDED AND RESTATED SUBLEASE

This **FIRST AMENDED AND RESTATED SUBLEASE** (this "A&R Sublease"), effective as of July 1, 2018 (the "Effective Date"), is made by and between Seton Education Partners, Inc. (a/k/a Seton Education Partners), a Wyoming nonprofit corporation ("Organization") and Brilla College Preparatory Charter Schools f/k/a Brilla College Preparatory Charter School, a New York education corporation ("Charter School"), and is consented to by Low Income Investment Fund ("Lender"). Organization and Charter School may be referred to herein individually as a "Party" and, collectively, as the "Parties".

RECITALS

WHEREAS, pursuant to that certain Lease, dated August 1, 2016 (the "Master Lease"), Organization has leased from the Church of St. Pius, Borough of Bronx, N.Y. City ("Owner" or "Master Landlord") that certain school building located at 500 Courtlandt Avenue, Bronx, New York, formerly known as St. Pius V High School (the "Building"), along with the two interior courtyards, immediately adjoining sidewalk, and pavement area encompassing Block 2327, Lot 31 (collectively with the Building, the "Premises");

WHEREAS, pursuant to that certain Sublease, dated November 15, 2016 (the "Sublease"), Charter School has subleased from Organization the Premises pursuant to the covenants, conditions and provisions set forth therein; and

WHEREAS, Charter School and Organization desire, as of the Effective Date, to restate and replace the Sublease, in full, by entering into this A&R Sublease to establish their respective rights and obligations, and the terms and conditions governing Charter School's sublease of the Premises from Organization.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the foregoing recitals which the Parties warrant to be true and correct, and other good and valuable consideration, it is hereby agreed by and between Organization and Charter School as follows:

Article 1. Leasehold Premises

The Building shall be made available to Charter School in phases during the following periods of the Term (as hereinafter defined):

First year of Initial Term:	Shared use of Basement, and Floor 2 of the Building
Remainder of Term:	Basement, and Floor 1 & 2 of the Building.

The sidewalk, pavement and interior courtyards shall be made available throughout the entire Term, but will be a shared space during the first year of the Initial Term.

It is expressly acknowledged and agreed that Charter School's leasehold of the Premises shall only be during the times set forth on **Schedule 1** attached hereto and made a part hereof (the "Leasehold Periods") and that during all other times throughout the Term (the "Non-Leasehold Periods"), the leasehold interest granted hereunder shall not be in effect, and, except as set forth on **Schedule 1**,

regarding the administrative offices of Charter School, the right of possession and enjoyment of the Premises shall revert to Organization. At least annually, the Parties shall meet to review the Non-Leasehold Periods. Any adjustment to the Non-Leasehold Periods shall require the prior written consent of Organization which may be withheld by Organization in its sole discretion. If Organization agrees to any such adjustments, then **Schedule 1** shall be amended accordingly.

Notwithstanding the foregoing, upon the specific request of Charter School, Organization may, in its sole discretion, consent to Charter School's use of the Premises, or specific areas thereof, during portions of the Non-Leasehold Periods. Such usage by Charter School during the Non-Leasehold Periods shall be a license and shall not be deemed an extension of or addition to Charter School's leasehold interest hereunder. The request for such usage and the granting of permission therefore shall be communicated between the Parties in any reasonable manner, including orally. No additional Rent (as hereinafter defined) or other fee shall be payable for such usage.

Article 2. Term

Section A. Initial Term. Subject to the covenants, conditions and provisions of this A&R Sublease, Organization hereby leases the Premises, in phases as provided in Article 1 hereof, to Charter School for the Use (as hereinafter defined), and Charter School hereby agrees to lease the same for the Use and for no other purpose, for an initial term (the "Initial Term") beginning at 12:01 a.m. on July 1, 2018, and ending at 11:59 p.m. June 30, 2036.

Section B. Renewal Terms. Unless sooner terminated as provided herein, or unless Charter School gives Organization at least sixty (60) days prior notice of its intent not to renew, this A&R Sublease shall automatically renew at the expiration of the Initial Term for an additional term of five (5) years (the "First Renewal Term"). Unless sooner terminated as provided herein, or unless Charter School gives Organization at least sixty (60) days prior notice of its intent not to renew, at the expiration of the First Renewal Term, this A&R Sublease shall automatically further renew for one (1) additional term of five (5) years (the "Second Renewal Term" and, together with the First Renewal Term, the "Renewal Terms"). Unless otherwise agreed to in writing by the Parties, the Renewal Terms shall be at the Base Rent set forth below and upon the same covenants, conditions and provisions as provided in this A&R Sublease, except that there will be no additional renewals unless the Parties expressly so agree in writing. The Initial Term, together with the Renewal Terms, being referred to in this A&R Sublease as the "Term".

Article 3. Rent/Security Deposit

Section A. Base Rent. Commencing on the Effective Date and throughout the entire Initial Term, Charter School covenants and agrees to pay to Organization rent for the use of the Premises ("Base Rent") pursuant to Section D below. The amount of Base Rent shall be as follows:

Year	Sublease Period	Annual Base Rent
1	July 1, 2018 – June 30, 2019	$591,000.00
2	July 1, 2019 – June 30, 2020	$1,147,000.00
3	July 1, 2020 – June 30, 2021	$1,181,410.00

4	July 1, 2021 – June 30, 2022	$1,216,852.00
5	July 1, 2022 – June 30, 2023	$1,253,358.00
6	July 1, 2023 – June 30, 2024	$1,290,959.00
7	July 1, 2024 – June 30, 2025	$1,329,687.00
8	July 1, 2025 – June 30, 2026	$1,369,578.00
9	July 1, 2026 – June 30, 2027	$1,410,665.00
10	July 1, 2027 – June 30, 2028	$1,452,985.00
11	July 1, 2028 – June 30, 2029	$1,496,575.00
12	July 1, 2029 – June 30, 2030	$1,541,472.00
13	July 1, 2030 – June 30, 2031	$1,587,716.00
14	July 1, 2031 – June 30, 2032	$1,635,348.00
15	July 1, 2032 – June 30, 2033	$1,684,408.00
16	July 1, 2033 – June 30, 2034	$1,734,940.00
17	July 1, 2034 – June 30, 2035	$1,786,989.00
18	July 1, 2035 – June 30, 2036	$1,840,598.00
19	July 1, 2036 – June 30, 2037	$1,895,816.00
20	July 1, 2037 – June 30, 2038	$1,952,691.00
21	July 1, 2038 – June 30, 2039	$2,011,271.00
22	July 1, 2039 – June 30, 2040	$2,071,610.00
23	July 1, 2040 – June 30, 2041	$2,133,758.00
24	July 1, 2041 – June 30, 2042	$2,197,771.00
25	July 1, 2042 – June 30, 2043	$2,263,704.00
26	July 1, 2043 – June 30, 2044	$2,331,615.00
27	July 1, 2044 – June 30, 2045	$2,401,563.00
28	July 1, 2045– June 30, 2046	$2,473,610.00

Except as expressly stated otherwise in this A&R Sublease, the Base Rent payable herein shall be inclusive of all costs, expenses, and obligations of every kind relating to the Premises including, but not limited to: (i) any and all common area charges, parking lot and driveway maintenance, lighting and plowing charges and assessments; (ii) any and all insurance associated with the Premises; and (iii) any and all utility service charges associated with the Premises.

Section B. Security Deposit. Upon execution of the Sublease, Charter School paid a Security Deposit in the total amount of One Hundred Thousand Dollars ($100,000.00) for the full and faithful performance by Charter School of the terms of the Sublease (the "Security Deposit"), to be returned to Charter School, without interest, after Charter School has vacated the Premises and upon the full performance of the provisions of the Sublease. Organization hereby acknowledges receipt and possession of the Security Deposit and further acknowledges that the Security Deposit as originally paid upon execution of the Sublease will be applied as the Security Deposit under this A&R Sublease. Charter School shall not use the Security Deposit as Rent. Organization shall have the right, but not the obligation, to apply any part of the Security Deposit to cure any default of Charter School and if Organization does so, Charter School shall upon demand, deposit with Organization the amount so applied so that Organization shall have the full Security Deposit on hand at all times during the Term. Organization shall hold the Security Deposit in a separate interest bearing account, to be mutually agreed upon by the Parties. Accrued interest shall be paid by Organization to Charter School on such Security Deposit.

Section C. Additional Rent. Any other sums of money other than Base Rent that become due to Organization under this A&R Sublease, if any, shall be deemed Additional Rent ("Additional Rent") and shall be subject to all of the provisions of this A&R Sublease relating to the payment of Base Rent. Base Rent and Additional Rent are collectively referred to in this A&R Sublease as "Rent".

Section D. Payment. Base Rent shall be payable in equal monthly installments, and each installment payment shall be due and payable in advance on the first day of each calendar month during the Term without further notice or demand by Organization and without set-off, abatement or deduction of any kind to Organization at such place designated by written notice from Organization to Charter School. A late fee of 5% of the monthly payment will be applied to those payments that are more than thirty (30) days past due.

Article 4. "As is and Where is" Condition; Use; Certain Additional Covenants

Section A. Organization represents and warrants to Charter School: (i) that the Master Lease is in full force and effect and that Organization is duly authorized under the Master Lease to execute this A&R Sublease; (ii) that this A&R Sublease, once executed by Organization, constitutes a valid and binding agreement, enforceable against Organization; and (iii) that, as of the Effective Date, Charter School is not in default under the Sublease.

Section B. Subject to Organization's obligations under Article 8 and Article 24 hereof, Charter School acknowledges and agrees that the Premises are being delivered to Charter School in "As Is and Where Is" condition; and that Charter School has done its due diligence investigation of the Premises and has accepted the condition of the Premises, including its determination of suitability of the Premises for the Use.

Section C. During the Term, Charter School shall have the right to use the Premises to operate a charter school for grades Fifth through Eighth and for related instructional purposes, school-related activities, and administrative offices only (collectively, the "Use"), and for no other purpose.

Section D. Charter School further covenants and agrees:

1. Not to use or occupy, or allow the Premises to be used or occupied, for any unlawful purpose and not to suffer any act to be done or any condition to exist on the Premises, or any article to be brought thereon, that may be dangerous, unless safeguarded as required by Applicable Laws (as hereinafter defined), or that may constitute a nuisance, public or private, or that may make void or voidable any insurance then in force with respect thereto.

2. Not to suffer or permit the Premises to be used (i) by the public without restriction, (ii) in such manner as might reasonably tend to impair Owner's title to the Premises or (iii) as might reasonably make possible a claim or claims of adverse usage, adverse possession or prescription by the public, or of implied dedication or other similar claims of, in, to or with respect to the Premises.

3. To prohibit smoking in or on the Premises.

4. To recognize that Owner is a religious corporation operated under the auspices of the Roman Catholic Church, and to acknowledge that it is therefore of utmost importance to Owner that the Premises (including any improvements hereafter made thereto) not be used or altered in any way that would violate any of the restrictions or covenants set forth below:

a. Charter School covenants that it shall not permit or conduct any obscene performances in violation of Section 235.00 of the New York Penal Law on the Premises hereby leased or permit them to be used for any obscene or pornographic purposes or activities including, without limitation, the sale, or distribution of any obscene or pornographic material. The terms "obscene", "material" and "performances" shall be defined for purposes of this covenant as they are defined in Section 235.00 of the New York Penal Law, and

b. Charter School further covenants that it shall not use, permit or suffer the Premises to be used or occupied for the purpose of performing any abortions or euthanasia proceedings or providing any counseling or advice relating to abortions, birth control or euthanasia or place any signs or advertising on or about the Premises that relate to abortion, birth control or euthanasia.

c. Charter School recognizes and agrees that a violation of any of the restrictions in clauses (a) and (b) of this Article 4, Section D.4 above would be seriously damaging and harmful to the reputation and standing of Owner as a religious corporation. Charter School hereby stipulates and agrees that any violation of any of the use restrictions shall entitle Organization and/ or Owner to seek an injunction in any court of competent jurisdiction in the State of New York enforcing said use restrictions.

5. That all Health Resource Room Services, HIV/AIDS Curriculum, Family Living Curriculum covering sex education and any successor health education curriculum covering sexuality shall be provided off site to students at an alternate facility.

6. To abide by and conform to reasonable rules and regulations from time to time adopted or

prescribed by Organization for the governance and management of the Premises, provided such rules are not in conflict with or in violation of Charter School's Charter and laws governing New York Charter Schools.

7. To pay Organization on demand any sum which may become due to Organization for additional service, accommodations, or materials furnished or loaned by Organization, which sum shall be deemed Additional Rent hereunder.

Article 5. Academic Standards

Organization's corporate purposes include the fostering and development of the education of students at the primary and secondary educational levels. Therefore, as part of the consideration for Organization's granting of this A&R Sublease, Organization requires that Charter School meet the educational accountability and performance standards (the "Academic Standards") contained in Charter School's charter issued by its authorizer, the State University of New York (the "Authorizer"), as such Academic Standards may be amended from time to time. Organization will monitor Charter School's academic performance to ensure that it meets the Academic Standards, and on an annual basis, Charter School shall send a written report to Organization together with copies of all data submitted to the Authorizer regarding its academic performance and shall also send Organization all assessments and reports issued by the Authorizer regarding or related to Charter School's performance vis-à-vis the Academic Standards. Based on its review of the foregoing, should Organization determine, exercising reasonable judgment, that Charter School has materially failed to meet the Academic Standards, Organization shall notify Charter School within ten (10) business days of its determination (the "Notice").

Failure to Meet Academic Performance Standards: Charter School shall have a period of sixty (60) days after the date of the Notice to develop and submit to Organization a plan pursuant to which Charter School will remedy any deficiencies and achieve the Academic Standards in the next school year. In the event that Organization, within a period of sixty (60) days after receipt of such a plan, determines that such plan has a reasonable likelihood of success, Charter School shall be given one full school-year to implement such plan. If Charter School either (a) does not submit such plan to Organization within the sixty (60) day time period or (b) fails to achieve the Academic Standards within the next full school year, Organization shall have right to terminate this A&R Sublease at the conclusion of the applicable school year. Notwithstanding the foregoing, Organization will accept any remediation plan approved by the Authorizer, and shall not have the right to terminate this A&R Sublease so long as Charter School's academic performance is in compliance with such remediation plan, as determined by the Authorizer.

Article 6. Sublease and Assignment; Subordination; Foreclosure and Attornment

Section A. Sublease and Assignment. Subject in all cases to Master Landlord's approval rights in Article 13 of the Master Lease and subject to Charter School's complying with all of the obligations imposed on the Tenant in Article 13 of the Master Lease and subject to the proposed assignee being a New York State duly-authorized charter school, Charter School shall have the right to assign this A&R Sublease to any subsidiary of Charter School, or to any corporation under common control with Charter School, upon advance written notice to Organization with full disclosures of the assignee's corporate structure and principal owners. Charter School shall not sublease all or any part of the Premises, or otherwise assign this A&R Sublease in whole or in part

(1) without Organization's prior written consent, such consent in the case of a sublease to a New York State duly-authorized charter school shall not to be unreasonably withheld or delayed, but in all other cases may be withheld in the sole discretion of Organization, and (2) without the prior written consent of Master Landlord. Notwithstanding that Organization may not unreasonably withhold its consent to an assignment of this A&R Sublease to a New York State duly-authorized charter school, the Parties acknowledge and agree that Organization agreed to enter into this A&R Sublease with Charter School because of the strength of Charter School's leadership and educational and operational plan; and Organization's evaluation of any proposed charter school assignee for purposes of Organization's consenting to such an assignment will include similar criteria. If Charter School assigns this A&R Sublease or subleases the Premises in whole or in part without conforming to all of the terms and conditions of this Section 6A, the proposed assignment or sublease shall be voidable at Organization's or Master Landlord's option. As used in this A&R Sublease, the phrase "duly authorized charter school" shall mean a New York State not-for-profit education corporation organized pursuant to Article 56 of the New York State Education Law, as amended.

Section B. Subordination. Subject to Charter School's non-disturbance rights set forth in Section C below, this A&R Sublease and all rights of Charter School hereunder are, and shall remain, subject and subordinate in all respects to any mortgage(s) and ground or underlying lease(s) affecting the Building and/or the Premises and/or Organization's leasehold interest in the Premises (including without limitation any mortgage granted by Organization in favor of the Lender), and to all renewals, modifications, replacements and extensions thereof. The provisions of this Section 6B relating to subordination shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, however, Charter School shall execute and deliver promptly any certificate or other instrument, which Organization or Master Landlord or any mortgagee or ground or underlying lessee may reasonably request. Upon request of Organization, Charter School will in writing subordinate its rights hereunder to the lien of any mortgage or deed of trust to any bank, insurance company or other lending institution, now or hereafter in force against the Premises or Organization's leasehold interest in the Premises, including any buildings hereafter placed upon the Premises, and to all advances made or hereafter to be made upon the security thereof.

Section C. Foreclosure; Attornment. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Organization covering the Premises (or Organization's leasehold interest in the Premises), Charter School shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Organization under this A&R Sublease. The provisions of this Article 6 to the contrary notwithstanding, and so long as Charter School is not in default hereunder, this A&R Sublease shall remain in full force and effect for the full Term, and Organization agrees to procure a non-disturbance agreement from any mortgage lenders, and will make reasonable efforts to obtain the same from any mortgage lenders of Master Landlord. In addition, by its execution of this A&R Sublease, Lender agrees that in the event it institutes foreclosure proceedings affecting the Premises, it will not disturb Charter School's leasehold interest hereunder, so long as at such time Charter School is not in default hereunder and agrees in writing to attorn to any new sub-lessor.

Section D. Certificates. Charter School, at any time and from time to time upon not less than ten (10) days' prior request from Organization, shall execute, acknowledge and deliver a statement

certifying: (i) that this A&R Sublease is unmodified and in full force and effect or, if modified, stating the nature of such modification and certifying that this A&R Sublease, as so modified, is in full force and effect (or specifying the ground for claiming that this A&R Sublease is not in force and effect); (ii) the date to which Rent has been paid; (iii) the amount of any Security Deposit; (iv) that Charter School is in possession of the Premises; (v) that Charter School is paying Rent on a current basis with no offsets, defenses or claims, or specifying the same if any are claimed; (vi) that, to Charter School's knowledge, there are no uncured defaults on the part of Organization or Charter School which are pertinent to the request, or specifying the same if any are claimed; and (vii) such other matters as Organization may reasonably request, or as may be requested by Organization's current or prospective mortgagee(s), insurance carriers, auditors and prospective purchasers (and including a comparable certification statement from any subtenant respecting its sublease). Any such statement may be relied upon by any of such parties. If Charter School shall fail to execute and return such statement within the time required herein, Charter School shall be deemed to have agreed with the matters set forth therein and Organization, acting in good faith, shall be authorized as Charter School's agent and attorney-in-fact to execute such statement on behalf of Charter School (which shall not be in limitation of Organization's other remedies hereunder).

Article 7. Repairs

During the Term, Charter School shall maintain the Premises in good condition, order and repair. Organization shall promptly make, at Organization's cost and expense, all necessary repairs, replacements and maintenance to the Premises (interior and exterior), except as otherwise specifically set forth in this Article 7 and in Article 8. Repairs and maintenance that are Organization's responsibility shall include, but not be limited to such items as snow and ice removal, maintenance, repairs and replacement of windows, floors, walls, ceilings and mechanical, plumbing, heating, air-conditioning and electrical systems, except as hereinafter provided. Charter School shall be responsible for the following capital improvements, replacements or repairs: roof, structural components, building envelope, and heating and cooling apparatuses, including any furnace, boiler, air handler, and chiller, provided, however, that Organization shall be responsible for any of the foregoing repairs and replacements directly caused by the negligent act or omission of Organization, its employees, contractors, agents, invitees or guests. In the event Charter School believes the Premises to be in a state of disrepair or that a particular repair is needed immediately, Charter School may schedule and perform such repair, provided, however, that Organization shall reimburse Charter School for any and all costs and expenses incurred as a result of such repair. Notwithstanding the foregoing, Organization shall not be responsible for maintenance, repairs and replacements to the extent necessitated by the negligence of Charter School's employees, officers, directors, contractors, or agents.

All repairs shall be done in a good and workmanlike manner by qualified contractors. The Party responsible for performing repairs (the "Repairing Party") shall keep the Premises and all parts thereof at all times free from mechanic's liens and any other lien for labor, services, supplies, equipment or material purchased or procured, directly or indirectly, by or for either Party. Repairing Party will promptly pay and satisfy all liens or contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify the non-Repairing Party against all expenses, costs and charges, including bond premiums for release of liens and attorneys' fees and costs reasonably incurred in and about the defense of any suit in discharging

the Premises, from any liens, judgments, or encumbrances caused or suffered by the non-Repairing Party. In the event such lien shall be made or filed, Repairing Party shall bond against or discharge the same within ten (10) days after the same has been made or filed. It is understood and agreed between the Parties that in the event any expenses, costs and charges become due to Organization by reason of the foregoing, such expenses, costs and charges , shall be considered Additional Rent due and payable with the next installment of Base Rent.

Neither Party shall have any authority to create any liens for labor or material on the other Party's interest in the Premises and all persons contracting with the Repairing Party for the construction or removal of any facilities or other improvements on or about the Premises, and all materialmen, contractors, mechanics, and laborers are hereby charged with notice that they must look only to the Repairing Party and to Repairing Party's interest in the Premises to secure the payment of any bill for work done or material furnished at the request or instruction of Repairing Party.

In accordance with New York law, and to the extent permitted under this A&R Sublease, Organization shall have the right to post on the Premises and to file and/or record in the Public Records or court registry, as applicable, notices of non-responsibility and such other notices as Organization may reasonably deem proper for the protection of Organization's interest in the Premises.

Nothing in this Article 7 or in Article 8 shall prevent Charter School from making repairs or alterations reasonably necessary to protect the health, safety and welfare of students.

Article 8. Alterations and Improvements

Section A. Prior to the Effective Date, Organization has performed and completed certain renovation work on the Premises in accordance with the Sublease. The Parties acknowledge that all renovation work required thereunder is complete and that all required certificates of occupancy were obtained and made available to Charter School in accordance with the Sublease. In the event that Charter School determines that any repairs that are the obligation of Charter School under Article 7 hereof have been caused or necessitated by defective renovation work, Organization will assign to Charter School its contractual rights against the contractor who performed such defective work.

Section B. Charter School, at Charter School's cost and expense, shall have the right, following receipt of the written consent of Organization, which shall not be unreasonably withheld, to remodel, redecorate, and make additions, improvements and replacements to the Premises from time to time as Charter School may deem desirable so long as Charter School also complies with the requirements imposed on the Tenant in Article 8 of the Master Lease. Charter School shall have the right to place and install personal property, fixtures, equipment and other temporary installations in and upon the Premises, and fasten the same to the Premises. All personal property, equipment, machinery, fixtures and temporary installations, whether acquired by Charter School at the commencement of the Term or placed or installed on the Premises by Charter School thereafter, shall remain Charter School's property free and clear of any claim by Organization. All additions and improvements must be done in accordance with the terms of Articles 7 and 8 herein and Article 8 of the Master Lease.

Article 9. Taxes

Section A. Organization hereby represents to Charter School that the Premises are currently exempt from Taxes. In the event the Premises become taxable, in whole or in part, Charter School shall pay, as Additional Rent, forty five percent (45%) in the first year (i.e. July 1, 2018 to June 30, 2019) of the Initial Term, and one hundred percent (100%) in all subsequent years of Taxes as they become due, as provided more fully below. For purposes of this Article 9, "Taxes" shall mean all real estate taxes, assessments, sewer rentals, county taxes or any other governmental charges, whether federal, state, city, county or municipal, and whether general or special, ordinary or extraordinary, foreseen or unforeseen, which may now or hereafter be levied, imposed or assessed against the Premises. In the event of a future change in the method of taxation, any franchise, income, profit or any other charge which shall be levied, imposed or assessed against such real property in substitution in whole or in part for or in lieu of any tax, assessment or other charge which would otherwise constitute Taxes under the foregoing provisions of this subsection, shall be deemed to be Taxes for the purpose hereof.

Section B. Organization shall pay any Taxes on the Premises. Organization shall submit to Charter School true copies of the bills for Taxes for any taxable period included within the Term within fifteen (15) days of Organization's receipt of same. To the extent that the tax bill is for a tax parcel that includes the Premises and other lands of Organization (that are not otherwise tax exempt), Organization shall also provide, upon Charter School's request, a statement showing Charter School's proportionate share of such Taxes and the method used to calculate such share. Charter School shall pay its portion of the Taxes to Organization within fifteen (15) days of receipt of the applicable Tax bill (and proportionate share statement, if applicable). In the event that Charter School does not make such payment within such period and as a result of such nonpayment penalties, interest or both are added to the Taxes, then Charter School shall reimburse Organization for 100% of such penalties, interest or both, as Additional Rent.

Section C. Each Party shall have the right to commence, at its own expense, legal or other proceedings to obtain a reduction in Taxes and the other Party agrees to reasonably cooperate, at the protesting Party's cost and expense, in making all necessary applications or filings to seek such reduction. Nothing herein contained shall obligate either Party to make application for, or otherwise commence legal or other proceedings to obtain, a reduction in Taxes. All attorneys' fees and other expenses incurred by either Party in seeking a reduction of Taxes shall be the sole responsibility of such Party. In no event shall (i) any reduction in Taxes result in a decrease in the total amount of the Base Rent payable under this Lease or (ii) any such adjustment be chargeable against any other item of Additional Rent. Any recovery for overpayment of back Taxes shall be pro-rated in accordance with Section A above.

Section D. Any payment of Taxes due under this Article 9 for any period occurring within the Term or any renewal or extension hereof, or any period of retention of possession by Charter School as a hold-over or otherwise, for less than the full period covered by such tax bill occurring at the commencement or expiration of the Term shall be apportioned so that Charter School shall pay only that portion thereof that corresponds with its period of occupancy in the Premises.

Section E. Charter School's obligation to pay any amount as provided in this Article 8 shall survive the Expiration Date.

Article 10. Insurance

Section A. Organization shall be fully responsible for the cost of either: (i) the property insurance coverage for the Premises procured by Organization pursuant to the Master Lease, or (ii) the reimbursement that Organization pays to Master Landlord for such coverage. Organization will supply Charter School with a copy of all policies of property insurance covering the Building and/or the Premises. If Organization procures the property insurance, it shall name Charter School as a loss payee as its interests may appear, and if Master Landlord procures this insurance, Organization shall use reasonable efforts to have Master Landlord list Charter School as a loss payee on the policy, as its interests may appear. To the extent of all applicable property insurance coverage, each Party hereby waives any and all right of recovery that it may have against the other Party for property loss to the Building or the Premises. If Organization procures such insurance, it shall cause its insurer(s) to waive any and all rights of subrogation against Charter School with respect to losses payable under the applicable policy. If Master Landlord procures such insurance, Organization shall use reasonable efforts to obtain the same waivers from Master Landlord and Master Landlord's insurer(s). In the event that Charter School is not named as a loss payee, Organization agrees to receive all property insurance proceeds paid as a result of a casualty occurrence as a trustee for the interests of itself and Charter School, and will utilize such proceeds solely for the purpose of effecting repairs and/or reimbursing itself and Charter School for the losses incurred.

Section B. Throughout the Term, each Party, at its own cost, shall procure and maintain comprehensive general public liability insurance in the amounts and with the specifications set forth in Section 10.01 of the Master Lease. Each policy so procured by a Party shall name the other Party, and Master Landlord and those other persons listed in Section 10.03 of the Master Lease, as additional insureds. In addition, with respect to the performance of the renovation work in accordance with Article 8 hereof, Organization shall require all of its contractors and their subcontractors to procure commercial general liability, automobile liability and employer's liability insurance coverages each with limits of not less than $1 million per occurrence/$2 million aggregate, naming both Organization and Charter School as additional insureds on a primary and non-contributory basis.

Section C. Each Party will provide the other with the copies of the relevant insurance policies, or certificates of such insurance if the policies are not readily available, and costs within thirty (30) days of this A&R Sublease, and thereafter as requested by the other Party.

Section D. Charter School acknowledges that it shall be responsible for obtaining its own policies of insurance for its business and personal property, and for workers compensation.

Article 11. Utilities

Organization shall pay or cause to be paid all charges and costs associated with Charter School's use of utilities and other services servicing the Premises including, but not limited to, water, sewer, gas, electricity, trash removal, landscape and lawn maintenance and other services (collectively, the "Utilities").

Organization shall not be liable or responsible to Charter School in any way for any liability, loss, damage or expense, including consequential damages, which Charter School may sustain or incur by reason of any failure, inadequacy, defect or change in the character, quantity or supply of gas or electric energy or water furnished to the Premises, or any interruption in providing gas, water

and electric energy to the Premises for any reason whatsoever but for Organization's failure to pay for such Utilities as required hereunder. Organization shall not be liable or responsible to Charter School in any way for any liability, loss, damage or expense, including consequential damages, that Charter School may sustain or incur by reason of any failure, inadequacy, defect or change in the character, quantity or supply of gas or electric energy or water furnished to the Premises, or any interruption in providing gas, water or electric energy to the Premises for any reason whatsoever but for Organization's failure to pay for such Utilities as required hereunder.

Article 12. Financial Covenants

As a condition to making initial alterations and improvements to the Building, Charter School agrees to all financial covenants required by Lender. Covenants will be tested annually based on year-end audited financial statements and will likely include: minimum 30 days cash on hand; ratio of cash to current liabilities equal to at least 0.4x; positive cash flow from operations on rolling average for last three years; ratio of total liabilities to net assets equal to no greater than 3.5x; demonstration of 1.05x Lease-Coverage Ratio; and review of additional borrowing of Charter School by Lender, provided, however, that such review shall not be required so long as the total amount of borrowings by Charter School do not exceed Three Hundred Thousand ($300,000) Dollars.

Article 13. Reporting Requirements

As a condition to making initial alterations and improvements to the Building, Charter School agrees to all reporting requirements of Lender, including the provision of: audited financial statements, within 120 days of its fiscal year-end; monthly enrollment numbers; annual reports, including but not limited to, any school improvement plan, standardized test scores, charter school contract amendments, and any other report submitted to the Authorizer and the New York State Department of Education Department, within 30 days of submission.

Article 14. Signs

Charter School will have the right, at its sole cost and expense, to place its name, its standard logo and the words a "New York Charter School" on the exterior of the Building in a location reasonably acceptable to Organization. Charter School shall not place any other signs on the Premises without the approval of Organization, which shall be in the sole discretion of Organization. Following Organization's written consent to the location, form, size, description, wording and content which consent shall be in Organization's sole discretion, Charter School shall have the right, at its sole cost and expense, to place on the Premises signs which are permitted by applicable zoning ordinances. Organization shall reasonably assist and cooperate, at Charter School's cost and expense, with Charter School in obtaining any necessary permission from governmental authorities for Charter School to place or construct the foregoing signs, but Organization shall not be required to incur any cost or expense in providing such assistance. Charter School shall pay for or repair, at Organization's option, any damage to the Premises from the installation of the signs. Upon the expiration or earlier termination of this A&R Sublease, Charter School shall remove the signs and repair any damage to the Premises resulting from the removal of signs by Charter School.

Article 15. Entry

Organization, or its representatives, and Master Landlord, or its representatives, shall all have the right to enter upon the Premises with reasonable notice and at reasonable hours of any day during the Term to inspect same, unless there is an emergency (in which case entry may be made at any time without advance notice), and provided Organization shall not thereby unreasonably interfere with Charter School's activities on the Premises. Organization shall also have the right to show the Premises to other potential users at any time.

Article 16. Damage to Premises

If the Premises or any part thereof is so damaged by fire, flood, wind, hurricane, act of God, act of war, casualty or structural defects that the same cannot be used for Charter School's purposes as determined by Charter School and Organization, then either Party shall have the right within ninety (90) days following damage to elect by notice to terminate this A&R Sublease as of the date of such damage. In the event of minor damage, which shall be defined as damage, the cost of which to repair shall not exceed Fifty Thousand dollars ($50,000), to any part of the Premises, and if such damage does not render the Premises unusable for Charter School's purposes, Charter School shall promptly repair such damage at the cost of Charter School, by only if all applicable insurance proceeds shall be made available to Charter School for such repairs. All repairs must be done in accordance with the terms of Articles 7 and 8 herein.

Charter School shall be relieved from paying Rent and other charges during any portion of the Term that the Premises are inoperable or unfit for occupancy in whole or in part due to such damage; provided, however, that if only a portion of the Premises is inoperable or unfit for occupancy, then the Rent shall be reduced (but not relieved entirely) by an equitable amount. The provisions of this Article 16 extend not only to the matters aforesaid, but also to any occurrence that is beyond the Parties' reasonable control and that renders the Premises inoperable or unfit for occupancy and/or the Use, in whole or in part.

Article 17. Eminent Domain

If the all or substantially all of the Premises is appropriated or taken by eminent domain, this A&R Sublease shall terminate and expire as of the date of title vesting in such proceeding, and Organization and Charter School shall thereupon be released from any further liability hereunder. If a part of the Premises is taken by eminent domain and same renders the Premises untenable, as determined by Organization and Charter School, then this A&R Sublease and the Term shall terminate as aforesaid. If such partial taking does not render the Premises untenable, as determined by Organization and Charter School, then this A&R Sublease shall continue in effect except that the Rent amount shall be reduced on an equitable basis. Charter School shall not be entitled to, and expressly waives all claim to any condemnation award for any taking whether whole or partial, except, however, that Charter School shall be permitted to bring a separate claim or join the claim of Organization for its damages caused by reason of the taking.

Article 18. Vault Space

No vaults, vault space or area, whether enclosed or covered, not within the property line of the Building is leased hereunder, anything contained in or indicated on any sketch, blueprint or plan or anything contained elsewhere in this Lease to the contrary notwithstanding. Organization

makes no representation as to the location of the property line of the Building. All vaults and vault space and all such areas not within the property line of the Building, which Charter School may be permitted to use and/or occupy by Organization in writing, are to be used and/or occupied under a revocable license, and if any such license shall be revoked, or if the amount of such space or area shall be diminished or required by Organization or any federal, state or municipal authority or public utility, Organization shall not be subject to any liability nor shall Charter School be entitled to any compensation or diminution or abatement of Rent, nor shall such revocation, diminution or requisition be deemed a constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault or area shall be paid by Organization in the same manner as set forth in Section 9(A).

Article 19. Default

If default shall at any time be made by Charter School in the payment of Rent due to Organization pursuant to this A&R Sublease, and if the default shall continue for fifteen (15) days after written notice thereof shall have been given to Charter School by Organization, or if material default shall be made in any of the other covenants or conditions to be kept, observed and performed by Charter School, and such default shall continue for thirty (30) days after notice thereof in writing to Charter School by Organization without correction thereof then having been commenced and thereafter diligently prosecuted by Charter School and in all events cured within sixty days of such notice, or if Charter School shall abandon or vacate the Premises for a period of thirty (30) days other than in accordance with its typical academic schedule, then Organization, at any time thereafter and at Organization's option, may give to Charter School a five (5) day notice of termination of this A&R Sublease (the "Default Termination Notice") and, in the event such Default Termination Notice is given, this A&R Sublease and the Term shall come to an end and expire (whether or not the Term shall have commenced) upon the expiration of such five (5) days with the same effect as if such date of expiration were the date originally set for the expiration of this A&R Sublease. Notwithstanding any such termination by Organization, Charter School shall remain liable for damages pursuant to the provisions of Article 19 hereof.

Following the expiration of the time period set forth in the Default Termination Notice, Organization shall have the right to re-enter the Premises, following summary proceedings or by any other applicable action or proceeding and may repossess the Premises and dispossess Charter School and any other persons from the Premises and remove any and all of their property and effects therefrom. In addition, Organization shall have any and all of the rights or remedies available to a landlord on account of any Charter School default, including, without limitation, holding Charter School immediately liable for, and requiring Charter School to pay to Organization, all Base Rent due and which would have become due under this A&R Sublease if this A&R Sublease had not been so terminated and claims for other damages and injunctive relief, either in law or equity. Organization shall use reasonable efforts to mitigate its damages.

Article 20. Notice

Any notice required or permitted under this A&R Sublease shall be deemed sufficiently given or served if sent by a nationally-recognized overnight delivery service (such as Federal Express), addressed as follows:

If to Organization:

Seton Education Partners
7765 Orien Avenue
La Mesa, CA 91941
Attn: Stephanie Saroki

If to Charter School:
Brilla College Preparatory Charter Schools
413 East 144th Street
Bronx, NY 10454
Attn: Principal

Organization and Charter School shall each have the right from time to time to change the place notice is to be given under this Article 20 by written notice thereof to the other Party.

Article 21. Headings

The headings used in this A&R Sublease are for convenience of the Parties only and shall not be considered in interpreting the meaning of any provision of this A&R Sublease.

Article 22. Successors

The provisions of this A&R Sublease shall extend to and be binding upon Organization and Charter School and their respective legal representatives, successors and permitted assigns.

Article 23. Consent

Except as expressly provided herein, Organization shall not unreasonably withhold or delay its consent with respect to any matter for which Organization's consent is required or desirable under this A&R Sublease.

Article 24. Cooperation

Charter School, at its sole cost and expense, shall have the right to take all steps necessary to seek any and all approvals as may be required or desired by Charter School in connection with Charter School's improvements. Organization, at Charter School's expense, agrees to reasonably cooperate with Charter School in obtaining such approvals and permits, including by submitting information and executing documents as may be reasonably requested by Charter School, but Organization shall not be required to incur any cost or expense in providing such cooperation. Charter School shall not seek or apply for any government approvals, permits or amendments not related to the Use.

Organization agrees to reasonably cooperate, at Charter School's cost and expense, in connection with Charter School's obtaining all Municipal Certificates of Use as required by law, including, without limitation, by submitting information and executing documents as may be reasonably requested, but Organization shall not be required to incur any cost or expense in providing such cooperation. Organization shall reasonably cooperate with Charter School, at Charter School's cost and expense, in providing such affidavits required by Charter School's Charter or by law, but Organization shall not be required to incur any cost or expense in providing such cooperation.

Article 25. Performance

If there is a material default with respect to any of Charter School's covenants, warranties or representations under this Agreement, and if the default continues more than thirty (30) days after notice in writing from Organization to Charter School specifying the default, Organization shall have any right or remedy available to Organization on account of any Charter School default, including claims for damages and injunctive relief, either in law or equity at its option and may (but shall not be obligated to) without affecting any other remedy hereunder, cure such default and add the reasonable cost thereof, as Additional Rent, to the next accruing installment or installments of Rent payable hereunder until Organization shall have been fully reimbursed for such expenditures. If this Agreement terminates prior to Organization's receiving full reimbursement, Charter School shall pay the unreimbursed balance.

Article 26. Compliance with Applicable Laws

Charter School, at its sole cost and expense, shall promptly comply with all present and future laws, orders, rules, regulations, ordinances and other governmental requirements of all federal, state, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law and all orders, rules and regulations of the New York Board of Fire Underwriters or any similar body (collectively, "Applicable Laws") pertaining to Charter School's Use and occupancy of the Premises. Organization shall comply with all Applicable Laws relating to the Use of the Premises. Charter School shall pay to Organization as Additional Rent all costs, expenses, fines, penalties or damages which may be imposed upon Organization, Master Landlord or Charter School by reason of Charter School's failure to comply with the provisions of this Article 26 and, if by reason of such failure, the fire insurance rate during the Term shall be higher than it otherwise would be, then Charter School shall reimburse Organization as Additional Rent, for that portion of all insurance premiums thereafter required to be paid by Organization pursuant to the terms of the Master Lease that shall have been charged because of such failure by Charter School, and shall make such reimbursement upon the first (1st) day of the calendar month following the payment thereof by Organization.

Article 27. Final Sublease

This A&R Sublease contains all of the agreements between the Parties. This A&R Sublease terminates and supersedes all prior understandings or agreements on the subject matter hereof including, but not limited to, the Sublease, provided, however, that any obligation of either Party that remains outstanding as of the Effective Date and/or any obligation which, by the terms of the Sublease, is intended to survive any termination or expiration of the Sublease, shall survive the execution and delivery of this A&R Sublease. This A&R Sublease may be modified only by a further writing that is duly executed by both Parties. There are no oral agreements, terms, representations or warranties not otherwise set forth herein.

Article 28. Conflicts

If any term or provision of this A&R Sublease, or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of the terms of this A&R Sublease shall not be affected thereby.

Article 29. Termination

This A&R Sublease may be terminated by either Party by providing written notice not less than

180 days prior to the start of either the fall or spring semesters of Charter School's academic calendar. Should Charter School's charter with the State of New York be terminated or not renewed during the Term, either Party may terminate this A&R Sublease by giving thirty (30) days' notice thereof in writing to the other Party. Organization may elect to terminate this A&R Sublease at any time by providing ninety (90) days written notice to Charter School. If Organization terminates under this 90 days provision, it shall pay Charter School a termination charge equal to six (6) times the prior month's Rent at the time of termination. Charter School shall vacate the Premises prior to the date set for termination in any notice given pursuant to this Article 29 and shall deliver possession of the Premises to Organization in the same condition as Charter School is obligated to surrender the Premises as provided in Article 36 hereof.

Article 30. Governing Law

This A&R Sublease shall be governed, construed and interpreted by, through and under the Laws of the State of New York, without regard to principles of choice of law, and venue and jurisdiction shall lie exclusively in the Courts of New York.

Article 31. No Partnership or Joint Venture

Nothing contained in this A&R Sublease shall be deemed or construed as creating a partnership, joint venture, or any other common enterprise between Organization and Charter School.

Article 32. Due Diligence

Charter School specifically acknowledges that it has the sole responsibility for conducting the utmost level of care, due diligence and background checks on all of its officers, directors, employees, volunteers, and agents in the operation of the charter school on the Premises in order to provide protection of the welfare of the children attending the school on the Premises. In accordance therewith, Charter School shall at all times fully comply with all Applicable Laws governing same, whether existing now or in the future.

Article 33. Indemnification

Charter School and Organization (each an "Indemnitor") shall each indemnify and save the other Party, its officers, directors and employees (collectively, the "Indemnitees") harmless from and against, and shall reimburse the Indemnitees for, all liabilities, losses, obligations, actions, proceedings, damages, fines, penalties, claims, demands, costs, charges, judgments and expenses, whether founded in tort, in contract, or otherwise, including without limitation attorney's fees and costs, which may be imposed upon or incurred or paid by or asserted against the Indemnitees or the Indemnitees' interest in the Premises by reason of or in connection with or arising out of the Premises or any area allocated to or used by the Indemnitor or its agents, contractors, officers, directors, employees, students, agents, guests, patrons, invitees, or any act or omission of the Indemnitor or the Indemnitor's contractors, officers, directors, employees, invitees, students, guests, patrons, agents, or any change, alteration or improvement made by the Indemnitor in or to the Premises or relating to any business or other activities conducted therein, except to the extent that such liabilities, losses, obligations, actions, proceedings, damages, fines, penalties, claims, demands, costs, charges, judgments or expenses are caused by the negligence or other culpable conduct of the Indemnitees.

Article 34. Time of Essence

Time is of the essence in the performance of Charter School's duties and obligations contained in this A&R Sublease.

Article 35. Attorney's Fees

If any legal action is brought seeking enforcement of the provisions of this A&R Sublease, the substantially prevailing Party shall be entitled to the recovery of reasonable attorney's fees and costs.

Article 36. Surrender of Premises

On the date of the expiration or earlier termination of this A&R Sublease (the earlier of such dates being referred to as the "Expiration Date"), Charter School shall surrender and deliver the Premises into the possession and use of Organization without delay and in good order, condition, and repair, reasonable wear and tear, and damage and other casualty (to the extent not required to be repaired by Charter School hereunder) excepted, and free and clear of all liens and encumbrances created, or suffered to be created, by Charter School.

All fixtures, paneling, partitions, railings and like installations, installed in the Premises at any time either by Charter School or by Organization on Charter School's behalf, shall remain upon and be surrendered with the Premises on the Expiration Date. Charter School shall not have any claim to any benefit, any increase in rental value or any reimbursement for its costs relating to any additions, alterations or improvements upon the surrender of the Premises on the Expiration Date.

Where furnished by or at the expense of Charter School or its subtenant(s), items of furniture, trade fixtures and business equipment (not constituting part of the Premises) shall be removed by Charter School from the Premises at or prior to the Expiration Date, provided, however, that the removal thereof shall not cause any damage to any portion of the Premises, including without limitation, the Building. Organization's cost of repairing such damage, if any, shall be deemed Additional Rent and shall be paid by Charter School within seven (7) days after Organization's demand therefor.

Any property which shall remain in, at or on the Premises after the Expiration Date may be deemed by Organization to have been abandoned by Charter School or by its subtenant(s). Such property may be retained by Organization as its property or may be disposed of, without accountability or liability, in such manner as Organization deems appropriate at Charter School's cost and expense (such cost or expense to be deemed Additional Rent and shall be paid by Charter School within seven (7) days after Organization's demand therefor).

No act or thing done by Organization or Organization's agents during the Term shall be deemed an acceptance of a surrender of the Premises or of any remaining portion of the Term, and no agreement to accept such surrender shall be valid, unless in writing signed by Organization. No employee of Organization or Organization's agent(s) shall have any power to accept the keys to the Premises prior to the Expiration Date, and the delivery of keys by Charter School to any such agent or employee shall not operate as a termination of this A&R Sublease or a surrender of the Premises.

Charter School expressly waives any right, which Charter School may have under the provisions of the New York Civil Practice Law and Rules and of any successor law of like import then in force in connection with any holdover summary proceedings which Organization may institute to enforce the provisions of this Article 36.

The provisions of this Article 36 shall survive the Expiration Date.

Article 37. Master Lease

Section A. Except and to the extent that the same are inapplicable or inconsistent with the express terms of this A&R Sublease, Charter School shall observe and perform all of the terms and provisions in the Master Lease to be observed and performed by the "Tenant" under the Master Lease. Charter School acknowledges and agrees that in case of any conflict between the terms of the Master Lease and the terms of this A&R Sublease, the terms of the Master Lease shall control.

Section B. If at any time during the Term, the Master Lease shall terminate for any reason, at the election and upon demand of any owner of the Premises, of any mortgagee in possession thereof or of any holder of a leasehold affecting the Premises, subject to the provisions of Section C of Article 6, Charter School shall attorn to any such owner, mortgagee or holder upon the terms and conditions set forth in the Master Lease for the remainder of the Term. The foregoing agreement to attorn shall be self-operative, without requiring any further instrument to give effect to such provision; however, upon demand of any such owner, mortgagee or holder, Charter School shall execute, from time to time, an instrument in confirmation of the foregoing.

Article 38. Holdover

In the event Charter School remains in possession of the Premises after the Expiration Date without the execution of a new lease or extension agreement (TIME BEING OF THE ESSENCE with respect to the Expiration Date), Charter School shall be liable to Organization for: (i) all losses and damages which Organization may reasonably incur by reason of such hold-over including, without limitation, attorneys' fees and disbursements and lost opportunities (and/or new leases) by Organization to re-let the Premises (or any part thereof) and damages and liabilities incurred by Organization under the Master Lease, and Charter School shall indemnify Organization against all claims made by any succeeding tenants or Master Landlord against Organization or otherwise arising out of or resulting from Charter School's failure timely to surrender and vacate the Premises on the Expiration Date in accordance with the provisions hereof; and (ii) a per diem use and occupancy in respect of the entire Premises calculated with respect to an annual rate equal to the greater of (x) two hundred (200%) percent of Base Rent payable hereunder for the last year of the Term or (y) the then fair market rental value of the Premises, as determined by Organization (either of which amounts Organization and Charter School agree is fair and reasonable under the circumstances and is not, and shall not be deemed to be, a penalty). Charter School shall also be liable to Organization for any payment or rent concession made or provided by Organization to any new tenant for all or any part of the Premises in order to induce such tenant not to terminate its lease with Organization by reason of Charter School's holding-over (including, without limitation, any holdover expenses, rent, damages or liability which shall be borne by the new tenant with respect to its then-existing lease and premises at another building). In no event shall any provision hereof be construed as permitting Charter School to hold-over in possession of the Premises, or any portion thereof, after the Expiration Date. All damages to Organization by reason

of such holding-over by Charter School may be the subject of a separate action and need not be asserted by Organization in any summary proceedings against Charter School.

Charter School expressly waives, for itself and for any person claiming through or under Charter School, any rights which Charter School or any such person may have under the provisions of Section 2201 of the New York Civil Practice Law and Rules (and of any successor law of like import then in force) in connection with any holdover summary proceedings which Organization may institute to enforce the foregoing provisions of this Article 38. Anything in this Article 38 to the contrary notwithstanding, the acceptance of any Rent paid by Charter School pursuant to this Article 38 shall not preclude Organization from commencing and prosecuting a holdover or summary eviction proceeding, and the preceding sentence shall be deemed to be an "agreement expressly providing otherwise" within the meaning of Section 232-c of the New York Real Property Law (and of any successor statute of similar import then in force).

Charter School and Organization hereby represent that the undersigned signatories are their duly appointed agents with the full power and authority to bind Charter School and Organization to the terms and conditions of this A&R Sublease.

IN WITNESS WHEREOF, the Parties have executed this A&R Sublease as of the day and year stated below.

Organization:
SETON EDUCATION PARTNERS, INC.

By: Stephanie Sanders

Print Name: [redacted]

Date: [redacted]

Its: [redacted]

Charter School:
BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

By: Eric J Eckholdt

Print Name: ERIC J. ECKHOLDT

Date: 7/25/2019

Its: CHAIRMAN

Consented to by:
LENDER:
Low Income Investment Fund

By: _____

Name: _____

Its: _____

IN WITNESS WHEREOF, the Parties have executed this A&R Sublease as of the day and year stated below.

Organization:
SETON EDUCATION PARTNERS, INC.

By: Stephanie Saroki

Print Name: Stephanie Saroki

Date: 07/27/18

Its: Managing Director

Charter School:
BRILLA COLLEGE PREPARATORY CHARTER SCHOOLS

By: Eric J Eckholdt

Print Name: ERIC J. ECKHOLDT

Date: 7/25/2018

Its: CHAIRMAN

Consented to by:
LENDER:
Low Income Investment Fund

By:

Name: Eliisa Frazier

Its: Senior Loan Officer

SCHEDULE 1

LEASEHOLD PERIODS

As of the Effective Date (July 1, 2018), the Leasehold Periods are as follows:

1. First Year of Initial Term: July 1, 2018 - June 30, 2019

   Basement: TBD

   Floor 2 of the Building: Monday through Friday, 5:00 AM - 3:15 PM

2. Remainder of Term:

   Basement: Monday through Friday, 7:35 AM - 3:15 PM

   Floors 1 and 2 of the Building: Monday through Friday, 5:00 AM - 3:15 PM

4. Throughout the Term, Organization shall provide Charter School with one (1) or more mutually agreed upon administrative offices year-round.

5. Additionally, throughout the Term, the Leasehold Periods shall include ten (10) weekend days (Saturdays or Sundays) during each lease year as mutually agreed upon by Organization and Charter School, except for the use of six classrooms for religious education classes on Saturdays and Sundays from 9:30 AM to 12:30 PM conducted by Master Landlord.

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APPENDIX K

BOOK-ENTRY ONLY SYSTEM

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The Series 2021 Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by DTC. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of the Series 2021 Bonds and, except as otherwise provided herein with respect to tenders by beneficial owners of beneficial ownership interest, beneficial owners will not be or be considered to be, and will not have any rights, as owners or holders of the Series 2021 Bonds under the Indenture.

The description that follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2021 Bonds, payments of principal of and redemption premium, if any, and interest on the Series 2021 Bonds to DTC, its nominee, Direct and Indirect Participants (as herein defined) or beneficial owners, confirmation and transfer of beneficial ownership interests in the Series 2021 Bonds and other bond-related transactions by and between DTC, Direct and Indirect Participants and beneficial owners is based solely on information furnished by DTC. None of the Issuer, the Trustee, the Institution, the School and the Underwriter assumes any responsibility for the accuracy or adequacy of the information included in such description.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued in the aggregate principal amount of the Series 2021 Bonds and will be deposited with DTC at the office of the Trustee on behalf of DTC utilizing the DTC FAST system of registration.

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

Purchases of the Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 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 the Series 2021 Bonds except in the event that use of the book-entry only system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC (or the Trustee on behalf of DTC utilizing the DTC FAST system of registration) are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2021 Bonds with DTC (or the Trustee on behalf of DTC utilizing the DTC FAST system of registration) and their registration in the name of Cede & Co. or other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 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 the Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of the Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 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 shall be sent to DTC. If less than all of the Series 2021 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 the Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of, redemption premium, if any, on, distributions and interest on, the Series 2021 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 the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, distributions and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2021 Bond certificates are required to be printed and delivered.

The University may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2021 Bond certificates will be printed and delivered.

NEITHER THE ISSUER, THE INSTITUTION, THE SCHOOL, THE UNDERWRITER NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A HOLDER WITH RESPECT TO: (1) THE SERIES 2021 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PURCHASE PRICE OF THE SERIES 2021 BONDS OR THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2021 BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the Series 2021 Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender the Series 2021 Bonds or other communcations to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments.

Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other government charge that may be imposed in relation to any transfer or exchange of their interests in the Series 2021 Bonds.

The Issuer, the Institution, the School, the Underwriter and the Trustee cannot and do not given any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of debt service on the Series 2021 Bonds made to DTC or its nominee as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

So long as Cede & Co. is the registered owner of the Series 2021 Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 2021 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners. Cede & Co. will be treated as the only Bondholder of the Series 2021 Bonds for all purposes under the Indenture.

The Issuer may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry only system to be maintained with respect to the Series 2021 Bonds without the consent of the Beneficial Owners or the Bondholders.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

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BUILD NYC RESOURCE CORPORATION • TAX-EXEMPT REVENUE BONDS, SERIES 2021A AND TAXABLE REVENUE BONDS, SERIES 2021B (SETON EDUCATION PARTNERS – BRILLA PROJECT)

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