

Meeting Packet

**WESTCHESTER COUNTY
Local Development Corporation
Wednesday, February 16, 2022
8:30 AM – 9:30 AM**

Roll Call

Adopt December 09, 2021, Meeting Minutes

New Business

Ongoing Business

- Kendal on Hudson resolution authorizing the issuance and sale of revenue refunding bonds

Agency Business

- Approval of PKF O'Connor Davies engagement letter for 2021 audit

Motion to Adjourn Meeting

NEXT MEETING MARCH 2, 2022

WESTCHESTER COUNTY
Local Development Corporation Meeting Minutes
Thursday, December 9, 2021
8:30 AM – 9:30 AM

PRESENT

Joan McDonald
Richard McSpedon
Bill Mooney
Robert Puff

ABSENT

Julius Walls
Judith Watson
Jerry McGrath

LDC STAFF

Bridget Gibbons
Dennis Kelly
Corazon Pineda
Clinton Young

LDC COUNSEL

Robert Drillings
Stephen Jones
William Weir

Roll Call

Noting the relaxed Open Meetings Law allowing meetings to be held in a hybrid fashion Ms. McDonald requested a roll call:

Jerry McGrath: absent

Joan McDonald: here

Richard McSpedon: here

Bill Mooney: here

Robert Puff: here

Julius Walls: absent

Judith Watson: absent

Chairwoman McDonald noted a quorum is present and the meeting has been properly noticed, pursuant to Sections 103a and 104 of the Public Officers Law Open Meetings Law and requested a motion to open the meeting. She asked members to identify themselves by name when making motions or seconding motions for the record. Upon the motion of Robert Puff seconded by Rich McSpedon the meeting was opened at 8:34 am.

Adopt October 26, 2021, Meeting Minutes

Chairwoman McDonald asked if there are any questions or comments regarding the October 26, 2021 Board Meeting Minutes.

Seeing none she asked for a motion to accept and adopt the October 26, 2021 Board Meeting Minutes. Upon the motion of Rich McSpedon and seconded by Robert Puff the meeting minutes of October 26, 2021 were adopted. The vote is as follows:

Joan McDonald: yes

Richard McSpedon: yes

Bill Mooney: yes

Robert Puff: yes

New Business

- Resolution to induce Kendal on Hudson project

Chairwoman McDonald stated that Jean Eccleston, CFO from KOH is present and will present this project to the board and that William Weir from Nixon Peabody will present the inducement resolution.

Board member Bill Mooney stated that his bank was asked to submit a proposal to purchase the bank Series of Bonds but declined. He wanted to share for open disclosure purposes.

Jean Eccleston stated that the project is located in Sleepy Hollow and that they lease from Phelps Community Corporation and are located next to Northwell Hospital. They are a continuing care retirement community and residents move into their campus and go through their continuum of care.

She stated that their finances are strong. They are approximately 12 years old and constantly investing in the community.

They have about 300 residents 80% of which come from New York State and over 50% come from Westchester County. They currently have a 94% occupancy.

They have about 200 employees and 72% are Westchester County residents. They have a budgeted payroll of about \$10.7 million dollars.

They pay taxes through a PILOT program to Sleepy Hollow in the amount of \$1.2 million dollars annually. They have cash expenditures of about \$35 million dollars which pays salaries, supplies, interest, taxes and capital expenditures. Ms. Eccleston stated that they do their best to spend money locally and use local vendors.

Their primary refinancing objectives are to lower their debt service, take advantage of interest rates savings, improve covenants and reduce risks to the organization and retain flexibility for future growth and funding of needed capital expenditures. They have about \$60 million of debt outstanding 2 bond series that were issued through the LDC in 2013 and 2014. They have a 2 step plan of finance

where they are going to swap out each of those debt issuances for new debt.

Ms. Eccleston discussed the anticipated timeline. KOH is hoping to get approval today and then final approval from the LDC board in January. They concluded by showing some beautiful pictures of the Hudson and stated that this is the view that their residents enjoy.

William Weir from the firm Nixon Peabody presented the inducement resolution. He explained that there are two series of bonds issued by the LDC and this is the first step that has to be taken under the tax code. He also stated a public hearing will be scheduled in the future.

The Series A bonds will refinance the current bank bonds. He stated the previous bonds were issued through the LDC in 2013 and 2014. The first Series A bonds will replace the 2014 bonds and they will do what is called a forward delivery. The Series B bonds will replace the 2013 bonds.

Stephen Jones (General Counsel for the LDC) asked Bill Weir to explain the concept of forward delivery.

Bill Weir stated that the 2013 bonds are not eligible for early redemption until January of 2023 so this would not be an advanced refunding, which would not be permissible within the tax code.

Chairwoman McDonald asked if there are any questions from the Board.

Rich McSpedon asked if any of the units have been set aside for affordable housing and/or veterans.

Jean Eccleston responded that they had not and all units are market rate.

Board member McSpedon asked if the public hearing would be set after the meeting to which the Chairwoman responded in the affirmative.

Board member Robert Puff stated that he is a financial advisor and this is something that a lot of his clients deal with on a day-to-day basis. In terms of financial planning, there is a huge need for this in the community. He stated that he believes this is a really great project.

Robert Drillings asked if Jean Eccleston from KOH could address the approval from the Department of Financial Services. It is something that is unique and not often seen.

Jean Eccleston stated that Kendal on Hudson is actually an insurance product. As such, they are regulated by New York State Department of Financial Services who is required to approve any refinancing related to the continuing care retirement community. This is an extra step that they are taking in order to get approval from a regulatory standpoint.

Chairwoman McDonald asked if there is a motion to accept and adopt the inducement resolution for the Kendal on Hudson project.

Upon the motion of Board Member Rich McSpedon and seconded by Board member William Mooney the resolution is adopted. The vote is as follows:

Joan McDonald: yes

Rich McSpedon: yes

Bill Mooney: yes

Robert Puff: yes

Ongoing Business

Chairwoman McDonald stated that there is no ongoing business. There are two items that are Agency Business.

Agency Business

- Resolution to appoint Corazon Pineda as Secretary of WCLDC. Chairwoman stated that Chloe (former LDC Secretary) moved to Philadelphia and accepted a new job and therefore Corazon Pineda will take over her responsibilities. Stephen Jones presented the resolution to approve Corazon Pineda as Secretary for the WCLDC.

Chairwoman McDonald asked if there are any questions or comments regarding this resolution. Seeing none the Chairwoman asked for a motion to accept and adopt the resolution for the appointment of Corazon Pineda as Secretary of WCLDC.

Upon the motion of Rich McSpedon and seconded by Robert Puff the resolution is adopted. The vote is as follows:

Richard McSpedon: yes

Joan McDonald: yes

Bill Mooney: yes

Robert Puff: yes

- Resolution to renew the contract with Clinton Young. Stephen Jones presented this resolution. Stephen Jones stated that Clinton has been serving as a consultant to the LDC for the past year and that the contract mirrors last year's with no changes except amended dates and it is also at the same rate of compensation.

Chairwoman McDonald asked if there are any questions or comments regarding Clinton Young's contract for 2022. Seeing none she asked if there is a motion to adopt the resolution renewing the LDC's contract with Clinton Young for 2022.

Upon the motion of Robert Puff seconded by Richard McSpedon the resolution is adopted. The vote is as follows:

Joan McDonald: yes

Richard McSpedon: yes

Bill Mooney: yes

Robert Puff: yes

Annual Meeting

Chairwoman Joan McDonald stated that the Board will now go into the Annual Meeting required by the New York State Authority Budget Office. She stated that Stephen Jones will present the Mission Statement and Board Policies individually and then the Board will vote on the resolution to re-adopt all the policies as a group unless there is an objection on a certain policy by a member of the Board.

- Mission Statement for 2022
Stephen Jones read the 2022 Mission Statement to the Board.

Stephen Jones presented the following policies to the Board.

- Whistleblower Policy
- Conflict of Interest Policy
- Code of Ethics
- Investment Policy
- Property Acquisition Policy
- Property Disposition Policy
- Sexual Harassment Policy

He stated that these are the same policies approved by the Board in 2020 and there are no changes to the policies being proposed.

Chairwoman McDonald asked if there are any questions or comments from the Board members. Seeing none she asked for a motion to accept and approve the Mission Statement and re-adopt the WCLDC Board Policies.

Upon the motion of Rich McSpedon and seconded by William Mooney the Mission Statement and Board Policies are adopted. The vote is as follows:

Joan McDonald: yes
Rich McSpedon: yes
William Mooney: yes
Robert Puff: yes

Public Comments

Chairwoman McDonald asked if there are any members of the public registered to speak. Corazon Pineda responded that there are not.

Stephen Jones then stated that it is his legal opinion that Mr. Mooney's disclosure does not create a conflict of interest and he is not precluded from voting and asked that the minutes reflect his legal opinion.

Chairwoman McDonald stated that seeing no members of the public wishing to comment on the agenda or any other items before Westchester County LDC, the December 9, 2021 meeting is concluded.

She stated a date has not yet been chosen for the next LDC meeting in 2022 but will advise as soon as it is set. The Chairwoman then asked for a motion to adjourn meeting.

Motion to Adjourn Meeting

Upon the motion of Richard McSpedon and seconded by Robert Puff the meeting was adjourned at 9:03am.

Date: February 16, 2022

At a meeting of the Westchester County Local Development Corporation (the “**Issuer**”), held (i) in public session at the Michaelian Office Building, 148 Martine Avenue, 9th Floor, White Plains, New York and (ii) electronically via webinar at [_____], access code [_____], pursuant to [TO BE CONFIRMED] on the 16th day of February, 2022, the following directors of the Issuer were:

Present:

Absent:

Also Present:

After the meeting had been duly called to order, the Chair announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to the issuance and sale of the Issuer’s proposed Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project), as qualified 501(c)(3) bonds under Section 145 of the Internal Revenue Code of 1986, as amended (the “Code”) (the “**Series 2022A Bonds**”) in the aggregate principal amount presently estimated to be \$15,770,000 but not to exceed \$21,750,000, and its proposed Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery), as qualified 501(c)(3) bonds under Section 145 of the Code (the “**Series 2022B Bonds**”; and together with the Series 2022A Bonds, the “**Series 2022 Bonds**”) in the aggregate principal amount presently estimated to be \$39,030,000, but not to exceed \$53,250,000; provided the aggregate principal amount of all Series 2022 Bonds will be in an amount presently estimated to be approximately \$54,800,000, but not to exceed \$75,000,000. The following resolution was duly moved, seconded, discussed and adopted with the following members voting:

Voting Aye

Voting Nay

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S REVENUE REFUNDING BONDS, SERIES 2022A (KENDAL ON HUDSON PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE \$15,770,000 BUT NOT TO EXCEED \$21,750,000, AND ITS REVENUE REFUNDING BONDS, SERIES 2022B (KENDAL ON HUDSON PROJECT) (FORWARD DELIVERY), IN THE AGGREGATE PRINCIPAL AMOUNT PRESENTLY ESTIMATED TO BE \$39,030,000, BUT NOT TO EXCEED \$53,250,000; PROVIDED THE AGGREGATE PRINCIPAL AMOUNT OF ALL SERIES 2022 BONDS WILL BE IN AN AMOUNT PRESENTLY ESTIMATED TO BE APPROXIMATELY \$54,800,000, BUT NOT TO EXCEED \$75,000,000.

WHEREAS, pursuant to and in accordance with the provisions of Section 1411 of the New York Not-for-Profit Corporation Law, as amended (collectively, the "**Act**"), the Westchester County Local Development Corporation (the "**Issuer**") was created with the authority and power to issue its revenue bonds for the purpose of, among other things, financing certain facilities as authorized by the Act; and

WHEREAS, Kendal on Hudson, a duly organized and validly existing not-for-profit New York corporation and exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the "**Code**"), as an organization that is described in Section 501(c)(3) of the Code, having an office at 1010 Kendal Way, Sleepy Hollow, New York 10591 (the "**Institution**"), has applied to the Issuer to issue, in one or more series of tax-exempt bonds as part of a plan of finance and refinance, its Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project), as qualified 501(c)(3) bonds under Section 145 of the Code (the "**Series 2022A Bonds**"), in the aggregate principal amount presently estimated to be \$15,770,000, but not to exceed \$21,750,000, and its Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery), as qualified 501(c)(3) bonds under Section 145 of the Code (the "**Series 2022B Bonds**" and together with the Series 2022A Bonds, the "**Series 2022 Bonds**") in the principal amount presently estimated to be \$39,030,000, but not to exceed \$53,250,000; provided, however, that, notwithstanding the foregoing, the aggregate principal amount of the Series 2022 Bonds will be in an amount presently estimated to be approximately \$54,800,000, but not to exceed \$75,000,000; and

WHEREAS, the proceeds of the Series 2022 Bonds will be used by the Institution to finance and refinance the costs of: (A) the refunding of the \$64,330,000 Westchester County Local Development Corporation Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013), of which approximately \$45,000,000 is currently outstanding (the "**Series 2013 Bonds**"), the proceeds of which were used for: (i) the refinancing of the Continuing Care Retirement Community Fixed Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003A) (the "**Series 2003A Bonds**") issued by the County of Westchester Industrial Development Agency (the "**IDA**"), in the original aggregate

principal amount of \$65,070,000, approximately \$21,465,000 of which were outstanding and the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003B) (the “**Series 2003B Bonds**”); and, together with the Series 2003A Bonds, the “**Series 2003 Bonds**”) issued by the IDA in the original aggregate principal amount of \$7,000,000, approximately \$6,425,000 of which were outstanding, the proceeds of which Series 2003 Bonds were used to fund a portion of the cost of the acquisition, construction and equipping of the continuing care retirement community known as “Kendal on Hudson” and related structures, and the acquisition and installation of machinery and equipment in connection therewith (the “**Original Facility**”), all for the establishment of a continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens, which then consisted of 222 independent living units, 24 enriched housing units, 42 skilled nursing facility beds, common areas and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities located on leased premises, consisting of 21 acres and with an address of 1010 Kendal Way in the Village of Sleepy Hollow, Town of Mount Pleasant, Westchester County, New York (the “**Land**”); and (ii) the refinancing of the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2007) issued by the IDA in the original aggregate principal amount of \$41,350,000 (the “**Series 2007 Bonds**”), approximately \$40,710,000 of which Series 2007 Bonds were outstanding and the proceeds of which were originally used to refinance a portion of the Series 2003A Bonds; and (iii) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds, including issuance costs of the Series 2013 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2013 Bonds; (B) the refunding of the \$18,000,000 Westchester County Local Development Corporation Revenue Bonds (Kendal on Hudson Project – Series 2014) of which approximately \$16,000,000 is currently outstanding (the “**Series 2014 Bonds**”), the proceeds of which were used for: (i) the financing of the costs of the renovation, construction, and equipping of the Original Facility, including, but not limited to, the renovation thereof, which renovation included the reconfiguration of the existing health center and the construction of six additional health center units, and the acquisition and installation of machinery and equipment in connection therewith, all for the continued operation of an approximately 500,000 square foot (as renovated) continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens (the “**Series 2014 Facility**”); and together with the Original Facility, the “**Facility**”); and (ii) the paying of all or a portion of the costs incidental to the issuance of the Series 2014 Bonds, including issuance costs of the Series 2014 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2014 Bonds; and (C) paying of all or a portion of the costs incidental to the issuance of the Series 2022 Bonds, including issuance costs of the Series 2022 Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2022 Bonds (collectively, the “**Project**”); and

WHEREAS, the Institution has received a commitment from Bridge Funding Group, Inc. (“**Bondholder**”), a wholly owned subsidiary of BankUnited, N.A., to purchase the Series 2022A Bonds in the aggregate principal amount presently estimated to be approximately \$15,770,000 but not to exceed \$21,750,000; and

WHEREAS, the Institution has received a commitment from Herbert J. Sims & Co., Inc. (“**Underwriter**”) to underwrite the issuance of the Series 2022B Bonds in the aggregate principal amount presently estimated to be approximately \$39,030,000 but not to exceed \$53,250,000; and

WHEREAS, the proceeds of the Series 2022 Bonds will be loaned by the Issuer to the Institution for the financing of the Project, pursuant to the Act; and

WHEREAS, the Act authorizes and empowers the Issuer to issue its revenue bonds to promote, develop, encourage and assist projects such as the Project and to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York; and

WHEREAS, a notice of public hearing was given on December 27, 2021 as required by Section 147(f) of the Code, the notice of which (together with proof of publication on the Issuer’s website) is substantially in the form annexed hereto as Exhibit A and such notice complies with all requirements of the Code; and

WHEREAS, a public hearing was held on January 5, 2022 to hear all persons with views in favor of or opposed to the issuance of the Series 2022 Bonds, the Project, and the other financial assistance contemplated by the Issuer, the minutes of which are substantially in the form annexed hereto as Exhibit B; and

WHEREAS, by Certificate of Approval to be executed prior to the issuance of the Series 2022 Bonds by the Honorable George Latimer, County Executive of Westchester County, New York (the “**County Executive**”), the “applicable elected representative” as required under Section 147(f) of the Code, will have approved the issuance of the Series 2022 Bonds prior to the issuance thereof; and

WHEREAS, the Series 2022A Bonds will be issued pursuant to a Bond Purchase and Loan Agreement, dated as of February 1, 2022, or such other date as may be determined (the “**Bond Purchase and Loan Agreement**”), by and among the Issuer, the Bondholder and the Institution; and

WHEREAS, the Issuer, pursuant to the Act has proposed to loan the proceeds of the Series 2022A Bonds to the Institution pursuant to the Bond Purchase and Loan Agreement, to pay for a portion of the costs of the financing of the Project, whereby the Institution will be obligated, among other things, to make loan payments to or for the account of the Issuer in amounts and at times so that such loan payments will be adequate to pay the principal of, premium, if any, and interest on the Series 2022A Bonds; and

WHEREAS, the obligations of the Institution under the Bond Purchase and Loan Agreement will be evidenced by a Promissory Note, dated the date of issuance of the Series 2022A Bonds (the “**Series 2022A Promissory Note**”), which Series 2022A Promissory Note will be endorsed by the Issuer to the Bondholder; and

WHEREAS, the Institution will agree to secure the payment of its obligations under the Bond Purchase and Loan Agreement and the Series 2022A Promissory Note to pay debt service on the Series 2022A Bonds by the issuance of Obligation No. 1 – 2022, dated the delivery date of the Series 2022A Bonds (the “**Series 2022A Obligation**”), pursuant to the terms of a Master Trust Indenture, dated as of February 1, 2022 or such other date as may be determined (the “**Master Trust Indenture**”), between the Institution and UMB Bank, N.A., as Master Trustee (the “**Master Trustee**”), as amended and supplemented by the First Supplemental Master Trust Indenture, dated as of February 1, 2022, or such other date as may be determined (the “**Series 2022A Supplemental Indenture**”), by and between the Institution and the Master Trustee; and

WHEREAS, under the Master Trust Indenture, the Series 2022A Obligation will be secured by a pledge of the Pledged Assets of the Obligated Group Members (each as defined in the Master Trust Indenture); and

WHEREAS, the Series 2022A Obligation will also be secured by a Leasehold Mortgage and Security Agreement, to be dated as of February 1, 2022, or such other date as may be determined (the “**Series 2022A Mortgage**”), from the Institution to the Issuer, as such Series 2022A Mortgage shall be assigned by an Assignment of Leasehold Mortgage and Security Agreement, dated the date of issuance of the Series 2022A Bonds (the “**Assignment of Series 2022A Mortgage**”), from the Issuer to the Master Trustee; and

WHEREAS, the Issuer and the Institution will enter into a certain Tax Regulatory Agreement, dated the date of issuance of the Series 2022A Bonds (the “**Series 2022A Tax Regulatory Agreement**”), whereby the Institution and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Institution, the Series 2022A Bonds, the Project, the Facility and the application of the proceeds of the Series 2022A Bonds; and

WHEREAS, the Issuer, the Institution, the Master Trustee, U.S. Bank National Association, as trustee for the Series 2013 Bonds (the “**2013 Trustee**”), and U.S. Bank National Association, as collateral agent for the Master Trustee and the 2013 Trustee (the “**Collateral Agent**”), will enter into a certain Intercreditor Agreement, to be dated as of February 1, 2022, or such other date as may be determined (the “**Intercreditor Agreement**”), whereby the parties thereto will provide for, among other things, the parity position of the Series 2013 Bonds and the Series 2022A Bonds; and

WHEREAS, the Bondholder will purchase the Series 2022A Bonds pursuant to the Bond Purchase and Loan Agreement; and

WHEREAS, the Series 2022B Bonds will be issued pursuant to a certain Indenture of Trust, to be dated as of October 1, 2022, or such other date as may be determined (the “**Indenture**”), by and between the Issuer and UMB Bank, N.A., as Trustee (the “**Trustee**”); and

WHEREAS, the Issuer, pursuant to the Act has proposed to loan the proceeds of the Series 2022B Bonds to the Institution pursuant to a Loan Agreement, to be dated as of October 1, 2022, or such other date as may be determined (the “**Loan Agreement**”), to pay for a portion of the costs of the financing of the Project, whereby the Institution will be obligated, among other things, to make loan payments to or for the account of the Issuer in amounts and at times so that such loan payments will be adequate to pay the principal of, premium, if any, and interest on the Series 2022B Bonds; and

WHEREAS, the obligations of the Institution under the Loan Agreement will be evidenced by a Promissory Note, dated the date of issuance of the Series 2022B Bonds (the “**Series 2022B Promissory Note**”), which Series 2022B Promissory Note will be endorsed by the Issuer to the Trustee; and

WHEREAS, the Institution will agree to secure the payment of its obligations under the Loan Agreement and the Series 2022B Promissory Note to pay debt service on the Series 2022B Bonds by the issuance of Obligation No. 3 – 2022, dated the delivery date of the Series 2022B Bonds (the “**Series 2022B Obligation**”), pursuant to the terms of the Master Trust Indenture, as amended and supplemented by the Second Supplemental Master Trust Indenture, to be dated as of October 1, 2022, or such other date as may be determined (the “**Series 2022B Supplemental Indenture**”), by and between the Institution and the Master Trustee; and

WHEREAS, under the Master Trust Indenture, the Series 2022B Obligation will be secured by a pledge of the Pledged Assets of the Obligated Group Members; and

WHEREAS, the Series 2022B Obligation will also be secured by a Leasehold Mortgage and Security Agreement, to be dated as of October 1, 2022, or such other date as may be determined (the “**Series 2022B Mortgage**”), from the Institution to the Issuer, as such Series 2022B Mortgage shall be assigned by an Assignment of Leasehold Mortgage and Security Agreement, dated the date of issuance of the Series 2022B Bonds (the “**Assignment of Series 2022B Mortgage**”), from the Issuer to the Master Trustee; and

WHEREAS, the Issuer and the Institution will enter into a certain Tax Regulatory Agreement, dated the date of issuance of the Series 2022B Bonds, or such other date as may be determined (the “**Series 2022B Tax Regulatory Agreement**”), whereby the Institution and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Institution, the Series 2022B Bonds, the Project, the Facility and the application of the proceeds of the Series 2022B Bonds; and

WHEREAS, the Underwriter will purchase the Series 2022B Bonds pursuant to a certain Forward Delivery Purchase Contract, dated a date to be determined (the “**Forward Delivery Purchase Contract**”), by and among the Issuer, the Institution and the Underwriter; and

WHEREAS, the Underwriter will utilize a Preliminary Official Statement, dated a date to be determined (the “**Preliminary Official Statement**”), and a final Official Statement, dated a date

to be determined (the “**Final Official Statement**”; and together with the Preliminary Official Statement, as each may be amended or supplemented as necessary, the “**Official Statement**”), distributed by the Underwriter and the Institution to the extent required in connection with the offering of the Series 2022B Bonds; and

WHEREAS, in addition to the issuance of the Series 2022 Bonds, the Issuer contemplates that it will provide financial assistance to the Institution in connection with the Project in the form of exemptions from mortgage recording taxes in connection with the financing of the Project; and

WHEREAS, the Institution has agreed to indemnify the Issuer against certain losses, claims, expenses, damages and liabilities which may arise in connection with the transactions contemplated by the issuance of the Series 2022 Bonds and the financing of the Project;

NOW, THEREFORE, BE IT RESOLVED by the Westchester County Local Development Corporation (a majority of the members thereof affirmatively concurring) as follows:

Section 1. The Issuer hereby finds and determines:

(a) By virtue of the Act, the Issuer has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(b) The (i) financing of the Project and (ii) lending of the proceeds of the (A) Series 2022A Bonds pursuant to the Bond Purchase and Loan Agreement and (B) Series 2022B Bonds pursuant to the Loan Agreement will promote and maintain the job opportunities, health, general prosperity and economic welfare of the citizens of the County of Westchester and the State of New York and improve their standard of living and thereby serve the public purposes of the Act; and

(c) It approves of the location of the site of the Facility; and

(d) Based upon representations and warranties of the Institution, the Facility conforms with the local zoning laws and planning regulations of Westchester County and all regional and local land use plans for the area in which the Project is located; and

(e) The financing of the Project is reasonably necessary to induce the Institution to maintain its operations within the State of New York; and

(f) The Facility and the operations conducted therein will not cause or result in the violation of the health, labor or other laws of the United States of America, the State of New York or the County of Westchester; and

(g) The action relating to the refinancing of the Facility is a Type II action under Article 8 of the Environmental Conservation Law, and therefore, does not require further environmental review; and

(h) It is desirable and in the public interest for the Issuer to issue and sell the Series 2022A Bonds in the aggregate principal amount presently estimated to be \$15,770,000 but not to exceed \$21,750,000, and the Series 2022B Bonds in the aggregate principal amount presently estimated to be \$39,030,000 but not to exceed \$53,250,000, provided the aggregate principal amount of the Series 2022 Bonds will be in an amount presently estimated to be approximately \$54,800,000, but shall not exceed \$75,000,000, upon the terms and conditions set forth in the Bond Purchase and Loan Agreement and the Forward Delivery Purchase Contract, as the case may be, for the purpose of financing the costs of the Project, together with necessary incidental expenses in connection therewith; and

(i) The Bond Purchase and Loan Agreement will be an effective instrument which, among other things, assigns to the Bondholder, certain rights and remedies of the Issuer under the Bond Purchase and Loan Agreement, provides that the Issuer will loan the proceeds of the Series 2022A Bonds to the Institution and sets forth provisions related to the sale of the Series 2022A Bonds to the Bondholder; and

(j) The Series 2022A Promissory Note, as endorsed by the Issuer to the Bondholder (the “**Series 2022A Endorsement to Promissory Note**”), will be an effective instrument evidencing the Institution’s obligation to make loan payments to the Issuer; and

(k) The Series 2022A Mortgage will be an effective instrument whereby the Institution will secure the Series 2022A Obligation; and

(l) The Series 2022A Assignment of Mortgage will be an effective instrument whereby the Issuer assigns to the Master Trustee certain of the Issuer’s rights and remedies under the Series 2022A Mortgage; and

(m) The Series 2022A Tax Regulatory Agreement will be an effective instrument whereby the Institution and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Institution, the Series 2022A Bonds, the Project, the Facility and the application of the proceeds of the Series 2022A Bonds; and

(n) The Intercreditor Agreement will be an effective instrument whereby the parties thereto provide for, among other things, the parity position of the Series 2013 Bonds and the Series 2022A Bonds; and

(o) The Indenture will be an effective instrument which, among other things, secures the Series 2022B Bonds, assigns to the Trustee certain rights and remedies of the Issuer under the Loan Agreement and authorizes the Trustee to accept and execute trusts of the character set forth in the Indenture; and

(p) The Loan Agreement will be an effective instrument whereby the Issuer will loan the proceeds of the Series 2022B Bonds to the Institution; and

(q) The Series 2022B Promissory Note, as endorsed by the Issuer to the Trustee (the “**Series 2022B Endorsement to Promissory Note**”), will be an effective instrument evidencing the Institution’s obligation to make loan payments to the Issuer; and

(r) The Series 2022B Mortgage will be an effective instrument whereby the Institution will secure the Series 2022B Obligation; and

(s) The Series 2022B Assignment of Mortgage will be an effective instrument whereby the Issuer assigns to the Master Trustee certain of the Issuer’s rights and remedies under the Series 2022B Mortgage; and

(t) The Series 2022B Tax Regulatory Agreement will be an effective instrument whereby the Institution and the Issuer set forth certain representations, expectations, conditions and covenants establishing compliance with the restrictions imposed by the Code relating to hearings and approval by the Issuer, activities of the Institution, the Series 2022B Bonds, the Project, the Facility and the application of the proceeds of the Series 2022B Bonds; and

(u) The proposed form of the Preliminary Official Statement, to be distributed by the Underwriter and the Institution in connection with the sale of the Series 2022B Bonds, contains true and accurate information regarding the ability of the Issuer to issue the Series 2022B Bonds, and the information contained therein regarding the Issuer, the Series 2022B Bonds, the Forward Delivery Purchase Contract, the Indenture, and the Loan Agreement is hereby approved; and

(v) The Final Official Statement, substantially in the form of the Preliminary Official Statement, will contain true and accurate information regarding the ability of the Issuer to issue the Series 2022B Bonds, and the information to be contained therein regarding the Issuer, the Series 2022B Bonds, the Forward Delivery Purchase Contract, the Indenture, and the Loan Agreement is hereby approved; and

(w) The Forward Delivery Purchase Contract will be an effective instrument which, among other things, sets forth the Underwriter’s obligation to purchase the Series 2022B Bonds; and

(x) Based on representations by the Institution, as reviewed by Bond Counsel, under Section 103(a) and Section 145(a) of the Code and the applicable regulations of the Department of Treasury promulgated thereunder, the interest on an issue of revenue bonds issued by a local development corporation of a State for certain facilities for use by an organization described in Section 501(c)(3) of the Code is excludable from gross income for federal income tax purposes, subject to the limitations and requirements of the Code.

Section 2. In consequence of the foregoing, the Issuer hereby determines to: (i) issue and sell the Series 2022A Bonds to the Bondholder pursuant to and in accordance with the Bond Purchase and Loan Agreement, (ii) use the proceeds of the Series 2022A

Bonds to finance all or a portion of the costs of the Project, (iii) loan the proceeds of the Series 2022A Bonds to the Institution pursuant to the Bond Purchase and Loan Agreement, (iv) secure the Series 2022A Obligation by assigning the Series 2022A Mortgage to the Master Trustee, (v) secure the Series 2022A Bonds by vesting certain powers and duties in the Bondholder pursuant to the Bond Purchase and Loan Agreement, and by assigning to the Bondholder certain of the Issuer's rights and remedies under the Bond Purchase and Loan Agreement, the Series 2022A Obligation and the Series 2022A Promissory Note, and (vi) file the Information Return for Private Activity Bond Issues, Form 8038 (the "**Series 2022A Information Return**") with respect to the Series 2022A Bonds in the manner and at the places provided in the Code.

Section 3. The Issuer is hereby authorized to loan the proceeds of the Series 2022A Bonds to the Institution pursuant to the terms of the Bond Purchase and Loan Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect to such loan are hereby approved, ratified and confirmed.

Section 4. The Issuer is hereby authorized to issue and execute, sell and deliver the Series 2022A Bonds to the Bondholder in the aggregate principal amount presently estimated to be \$15,770,000 but not to exceed \$21,750,000, provided the aggregate principal amount of the Series 2022 Bonds will be in an amount presently estimated to be approximately \$54,800,000, but shall not exceed \$75,000,000, pursuant to the Act and in accordance with the Bond Purchase and Loan Agreement provided that:

(a) The Series 2022A Bonds shall (i) be issued, executed and delivered at such time as the Chair or any director of the Issuer shall determine, and (ii) bear interest at the rates, be subject to redemption prior to maturity, and have such other provisions and be issued in such manner and on such conditions as set forth in the Series 2022A Bonds and the Bond Purchase and Loan Agreement, which terms are specifically incorporated herein with the same force and effect as if fully set forth herein.

(b) The Series 2022A Bonds shall be issued solely for the purpose of providing funds to finance all or a portion of the costs of the Project including, without limitation, funding reserve funds with respect to the Series 2022A Bonds, if required, and to pay certain costs of issuance, including without limitation the administrative, legal, financial and other expenses of the Issuer incurred in connection with the financing of the Project and which are incidental to the issuance of the Series 2022A Bonds.

(c) The Series 2022A Bonds and the interest thereon are not and shall never be a debt of the State of New York or the County of Westchester, and neither the State of New York nor the County of Westchester, shall be liable thereon.

(d) The Series 2022A Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived from the Institution or from the enforcement of the security provided by the Bond Purchase and Loan Agreement and the Series 2022A Obligation.

(e) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2022A Bonds or of any other funds which, if such use were reasonably expected on the date of issue of the Series 2022A Bonds, would cause the Series 2022A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, or otherwise cause interest on the Series 2022A Bonds to be includable in gross income of the holders thereof for federal tax purposes.

Section 5.

(a) The Chair or any director of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Bond Purchase and Loan Agreement, the Series 2022A Assignment of Mortgage, the Series 2022A Endorsement of Promissory Note, the Series 2022A Tax Regulatory Agreement, the Intercreditor Agreement and the Series 2022A Bonds (hereinafter collectively called the “**Series 2022A Financing Documents**”) and the Series 2022A Information Return, and, where appropriate, the Secretary or any assistant secretary of the Issuer is hereby authorized to affix the seal of the Issuer to the Series 2022A Bonds, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chair or any director of the Issuer shall approve. The execution thereof by the Chair or any director of the Issuer shall constitute conclusive evidence of such approval.

(b) The Chair or any director of the Issuer are further hereby authorized, on behalf of the Issuer, to designate any additional Authorized Officers of the Issuer (as defined in the Bond Purchase and Loan Agreement).

Section 6. In consequence of the foregoing, the Issuer hereby determines to: (i) issue and sell the Series 2022B Bonds to the Underwriter pursuant to and in accordance with the Forward Delivery Purchase Contract, (ii) use the proceeds of the Series 2022B Bonds to finance all or a portion of the costs of the Project, (iii) loan the proceeds of the Series 2022B Bonds to the Institution pursuant to the Loan Agreement, (iv) secure the Series 2022B Obligation by assigning the Series 2022B Mortgage to the Master Trustee, (v) secure the Series 2022B Bonds by vesting certain powers and duties in the Trustee pursuant to the Indenture, and by assigning to the Trustee certain of the Issuer’s rights and remedies under the Loan Agreement, the Series 2022B Obligation and the Series 2022B Promissory Note, and (vi) file the Information Return for Private Activity Bond Issues, Form 8038 (the “**Series 2022B Information Return**”) with respect to the Series 2022B Bonds in the manner and at the places provided in the Code.

Section 7. The Issuer is hereby authorized to loan the proceeds of the Series 2022B Bonds to the Institution pursuant to the terms of the Loan Agreement and to do all things necessary or appropriate for the accomplishment thereof, and all acts heretofore taken by the Issuer with respect to such loan are hereby approved, ratified and confirmed.

Section 8. The Issuer is hereby authorized to issue and execute, sell and deliver the Series 2022B Bonds to the Underwriter in the aggregate principal amount presently estimated to be \$39,030,000 but not to exceed \$53,250,000, provided the aggregate principal amount of the Series 2022 Bonds will be in an amount presently estimated to be

approximately \$61,000,000, but shall not exceed \$75,000,000, pursuant to the Act and in accordance with the Indenture provided that:

(a) The Series 2022B Bonds shall (i) be issued, executed and delivered at such time as the Chair or any director of the Issuer shall determine, and (ii) bear interest at the rates, be subject to redemption prior to maturity, and have such other provisions and be issued in such manner and on such conditions as set forth in the Series 2022B Bonds, the Forward Delivery Purchase Contract and the Indenture, which terms are specifically incorporated herein with the same force and effect as if fully set forth herein.

(b) The Series 2022B Bonds shall be issued solely for the purpose of providing funds to finance all or a portion of the costs of the Project including, without limitation, funding reserve funds with respect to the Series 2022B Bonds, if required, and to pay certain costs of issuance, including without limitation the administrative, legal, financial and other expenses of the Issuer incurred in connection with the financing of the Project and which are incidental to the issuance of the Series 2022B Bonds.

(c) The Series 2022B Bonds and the interest thereon are not and shall never be a debt of the State of New York or the County of Westchester, and neither the State of New York nor the County of Westchester, shall be liable thereon.

(d) The Series 2022B Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from the revenues and receipts derived from the Institution or from the enforcement of the security provided by the Loan Agreement and the Series 2022B Obligation.

(e) Notwithstanding any other provision of this resolution, the Issuer covenants that it will make no use of the proceeds of the Series 2022B Bonds or of any other funds which, if such use were reasonably expected on the date of issue of the Series 2022B Bonds, would cause the Series 2022B Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, or otherwise cause interest on the Series 2022B Bonds to be includable in gross income of the holders thereof for federal tax purposes.

Section 9.

(a) The Chair or any director of the Issuer are hereby authorized, on behalf of the Issuer, to execute and deliver the Forward Delivery Purchase Contract, the Indenture, the Loan Agreement, the Series 2022B Assignment of Mortgage, the Series 2022B Endorsement of Promissory Note, the Series 2022B Tax Regulatory Agreement, the Official Statement and the Series 2022B Bonds (hereinafter collectively called the “**Series 2022B Financing Documents**”; and together with the Series 2022A Financing Documents, the “**Financing Documents**”) and the Series 2022B Information Return, and, where appropriate, the Secretary or any assistant secretary of the Issuer is hereby authorized to affix the seal of the Issuer to the Series 2022B Bonds, all in substantially the forms thereof presented to this meeting with such changes, variations, omissions and insertions as the Chair or any director of the Issuer shall approve. The execution thereof

by the Chair or any director of the Issuer shall constitute conclusive evidence of such approval.

(b) The Chair or any director of the Issuer are further hereby authorized, on behalf of the Issuer, to designate any additional Authorized Representatives of the Issuer (as defined in the Indenture).

(c) The Chair or any director of the Issuer are each hereby authorized on behalf of the Issuer to deem the Preliminary Official Statement final for purposes of Rule 15c-2-12 under the Securities Exchange Act of 1934, as amended, with such changes therein as shall be approved by such officers upon the advice of counsel to the Issuer and Bond Counsel, and such officers shall on behalf of the Issuer authorize and approve the execution, delivery and distribution of the Official Statement in connection with the offer and sale of the Series 2022B Bonds.

Section 10. The officers, employees and agents of the Issuer are hereby authorized and directed for and in the name and on behalf of the Issuer to do all acts and things required or provided for by the provisions of the Financing Documents, and to execute and deliver all such additional certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Issuer with all of the terms, covenants and provisions of the Financing Documents binding upon the Issuer.

Section 11.

(a) It is desirable and in the best interest of the Issuer that, in connection with the issuance of the Series 2022 Bonds, the Series 2022 Bonds be qualified or registered for offer in various states authorized by the Issuer and that each of the members, officers, employees and agents of the Issuer be, and they hereby are each, authorized to determine the states in which appropriate action shall be taken to qualify or register for offer all or such part of the Series 2022 Bonds as said members, officers, employees and agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed); that each of said members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer, in connection with the proposed sale of the Series 2022 Bonds, which they may deem necessary or appropriate to obtain licenses or permits, or register, qualify or notice the Series 2022 Bonds for offering and issuance under the securities or Blue Sky laws of such of the various states as each of said members, officers, employees and agents may deem advisable (and any such action taken to date is hereby approved, ratified and confirmed), and in connection with such registrations, licenses, permits, qualifications or notices, to execute and file for and on behalf of the Issuer all such applications, notices, reports, issuer's covenants, resolutions, irrevocable consents to service of process (including appointment of a designated state official to act as agent to receive process), powers of attorney and information, and to take all such further action as any of them may deem necessary or desirable to keep in effect such registrations, licenses, permits, qualifications

or notices or to comply with the requirements of any regulatory commission whose approval or notification with respect to the Series 2022 Bonds may be required (and any such action taken to date is hereby approved, ratified and confirmed); and that the execution by such members, officers, employees and agents of the Issuer of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor and the approval by the Issuer of the papers and documents so executed and the action so taken (and any such action taken to date is hereby approved, ratified and confirmed).

(b) The Issuer hereby adopts the form of any resolution required by any state authority to be filed in connection with any application, consent to service of process or other document mentioned in the foregoing resolution if (i) in the opinion of a member, officer, employee or agent of the Issuer the adoption of such a resolution is necessary or advisable, and (ii) the Secretary or Assistant Secretary of the Issuer evidences such adoption by attaching to the minutes of this meeting copies of such resolutions, which will thereupon be deemed to have been adopted by the Issuer with the same force and effect as if originally attached to the minutes of this meeting (and any such action taken to date is hereby approved, confirmed and ratified).

(c) The Issuer hereby resolves that each of such members, officers, employees and agents be, and they hereby are each, authorized and directed to take any and all action for and on behalf of the Issuer in connection with the proposed issuance and offering of the Series 2022 Bonds which they may deem necessary or appropriate to render the Series 2022 Bonds legal for investment by savings banks, insurance companies, trust funds and any other institutions in such other of the various states as such members, officers, employees or agents may deem advisable (and any such action taken to date is hereby approved, confirmed and ratified).

Section 12. The Issuer hereby authorizes financial assistance to the Institution in the form of exemptions from mortgage recording tax in connection with the recording of the Series 2022A Mortgage and the Series 2022B Mortgage.

Section 13. This resolution shall take effect immediately and the Series 2022 Bonds are hereby ordered to be issued in accordance with this resolution.

STATE OF NEW YORK)

) ss:

COUNTY OF WESTCHESTER)

I, the undersigned Secretary of the Westchester County Local Development Corporation, DO HEREBY CERTIFY:

That I have compared the annexed extract of the minutes of the meeting of the Westchester County Local Development Corporation (the “**Issuer**”), including the resolutions contained therein, held on the 16th day of February, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolutions set forth therein and of the whole of said original insofar as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that public notice of the time and place of said meeting was duly given to the public and the news media in accordance with the New York Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, that all members of said Issuer had due notice of said meeting and that the meeting was in all respects duly held.

I FURTHER CERTIFY that, because of the continuing public health emergency caused by the Novel Coronavirus (COVID-19) and pursuant to Chapter One of the Laws of 2022 suspending the Open Meetings Law, constituting Chapter 511 of the Laws of 1976 of the State of New York, the Issuer’s Board Meeting on February 16, 2022 (the “**Board Meeting**”), was held electronically via webinar, in addition to a meeting open for the public to attend in person. Members of the public were advised, via the Issuer’s website, of the option to listen to and view the Board Meeting by logging on to [_____], access code [_____], and were further advised that the Minutes of the Board Meeting would be transcribed and posted on the Issuer’s website, and that all directors of said Issuer had due notice of said meeting and that the meeting was in all respects duly held.

IN WITNESS WHEREOF, I have hereunto set my hand of said Issuer as of the 16th day of February, 2022.

Secretary

EXHIBIT A

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended (the “**Code**”), will be held by the Westchester County Local Development Corporation (the “**Issuer**”) on the 5th day of January, 2022 at 3:00 p.m., local time, both (i) in person at 148 Martine Avenue, Michaelian Office Building, Bleakley Conference Room A, White Plains, New York 10601 and (ii) by teleconference as more fully detailed below, in connection with the following matters:

Pursuant to Revenue Procedure 2020-21, as amended by Revenue Procedure 2020-49, as amended by Revenue Procedure 2021-39, a teleconference hearing accessible to the residents of the approving governmental unit by calling a toll-free number is treated as held in a location that, based on the facts and circumstances, is convenient for residents of the approving governmental unit for purposes of the public hearing requirement in Section 147(f) of the Code and the Treasury Regulations promulgated thereunder provided that the teleconference is held between May 4, 2020 and March 31, 2022. Directions for accessing the public hearing by toll-free telephone or video conference are provided below.

Kendal on Hudson, a duly organized and validly existing New York not-for-profit corporation and an organization exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), as an organization that is described in Section 501(c)(3) of the Code, having an office at 1010 Kendal Way, Sleepy Hollow, New York 10591 (the “**Institution**”), has applied to the Westchester County Local Development Corporation (the “**Issuer**”), to issue one or more series of tax-exempt bonds as part of a plan of finance and refinance, presently expected to include its Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project), as qualified 501(c)(3) bonds under Section 145 of the Code (the “**Series 2022A Bonds**”) and its Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery), as qualified 501(c)(3) bonds under Section 145 of the Code (the “**Series 2022B Bonds**”) and together with the Series 2022A Bonds, the “**Series 2022 Bonds**”). The aggregate principal amount of the Series 2022 Bonds is presently estimated to be approximately \$61,000,000, but will not exceed \$75,000,000. The proceeds of the Series 2022 Bonds will be used by the Institution to finance and refinance the costs of the Project (as defined below), which will consist of: (A) the refunding of the \$64,330,000 Westchester County Local Development Corporation Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013), of which approximately \$45,000,000 is currently outstanding (the “**Series 2013 Bonds**”), the proceeds of which were used for: (i) the refinancing of the Continuing Care Retirement Community Fixed Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003A) (the “**Series 2003A Bonds**”) issued by the County of Westchester Industrial Development Agency (the “**IDA**”), in the original aggregate principal amount of \$65,070,000, approximately \$21,465,000 of which were outstanding and the Continuing Care Retirement Community

Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003B) (the “**Series 2003B Bonds**”); and, together with the Series 2003A Bonds, the “**Series 2003 Bonds**”) issued by the IDA in the original aggregate principal amount of \$7,000,000, approximately \$6,425,000 of which were outstanding, the proceeds of which Series 2003 Bonds were used to fund a portion of the cost of the acquisition, construction and equipping of the continuing care retirement community known as “Kendal on Hudson” and related structures, and the acquisition and installation of machinery and equipment in connection therewith (the “**Original Facility**”), all for the establishment of a continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens, which then consisted of 222 independent living units, 24 enriched housing units, 42 skilled nursing facility beds, common areas and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities located on leased premises, consisting of 21 acres and with an address of 1010 Kendal Way in the Village of Sleepy Hollow, Town of Mount Pleasant, Westchester County, New York (the “**Land**”); and (ii) the refinancing of the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2007) issued by the IDA in the original aggregate principal amount of \$41,350,000 (the “**Series 2007 Bonds**”), approximately \$40,710,000 of which Series 2007 Bonds were outstanding and the proceeds of which were originally used to refinance a portion of the Series 2003A Bonds; and (iii) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds, including issuance costs of the Series 2013 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2013 Bonds; (B) the refunding of the \$18,000,000 Westchester County Local Development Corporation Revenue Bonds (Kendal on Hudson Project – Series 2014) of which approximately \$16,000,000 is currently outstanding (the “**Series 2014 Bonds**”), the proceeds of which were used for: (i) the financing of the costs of the renovation, construction, and equipping of the Original Facility, including, but not limited to, the renovation thereof, which renovation included the reconfiguration of the existing health center and the construction of six additional health center units, and the acquisition and installation of machinery and equipment in connection therewith, all for the continued operation of an approximately 500,000 square foot (as renovated) continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens (the “**Series 2014 Facility**”); and together with the Original Facility, the “**Facility**”); and (ii) the paying of all or a portion of the costs incidental to the issuance of the Series 2014 Bonds, including issuance costs of the Series 2014 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2014 Bonds; and (C) paying of all or a portion of the costs incidental to the issuance of the Series 2022 Bonds, including issuance costs of the Series 2022 Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2022 Bonds (collectively, the “**Project**”).

The proceeds of the Series 2022 Bonds will be loaned by the Issuer to the Institution pursuant to the terms of one or more Loan Agreements between the Issuer and the Institution to pay the costs of the Project. The Series 2022 Bonds will be special obligations of the Issuer payable solely from loan payments made by the Institution to the Issuer pursuant to the Loan Agreements and certain other assets of the Institution pledged to the repayment of the Series 2022 Bonds. The Series 2022 Bonds shall not be a debt of the State of New York, or any political subdivision thereof, including Westchester County, and neither the State of New York, nor any political subdivision thereof, including Westchester County, shall be liable thereon.

The Issuer will, in addition to having interested parties participate in the hearing in person as set forth above, simultaneously allow interested parties to attend the hearing remotely by telephone conference call and video conference. Interested members of the public are invited to participate by conference call for the public hearing by dialing **1-844-621-3956** (Toll Free) and entering the following password: **2428 417 6815**; or by video conference by accessing the following web address <https://westchestergov.webex.com/westchestergov/onstage/g.php?MTID=eb654e5be6c290dc8409d582937a4143b> and entering the following passcode: **Kohph2022** . In order to facilitate registration of participants, it is requested that members of the public call the above telephone number or join the video conference no later than five minutes before start time of the hearing. If a member of the public is having difficulty accessing the telephone conference call or video conference, they should contact **Corazon Pineda** at **914-995-2936** for assistance. Persons desiring to make a brief statement during the conference call regarding the proposed transactions should give prior notice to the Issuer by contacting the Westchester County Local Development Corporation no later than 5 p.m. the day before the hearing. Such notice of intention to make a brief statement and any written comments may be submitted to the Issuer at the following email addresses: CQPQ@westchestergov.com

For those members of the public desiring to review the application for financial assistance before the date of the hearing, copies of these materials are available at <https://www.westchestercatalyst.com> starting on or about December 28, 2021 at 10:00 a.m.

A representative of the Issuer will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the issuance of the Series 2022 Bonds, the granting of other financial assistance contemplated by the Issuer or the location or nature of the Project. At the hearing, all persons will have the opportunity to review the application for financial assistance filed by the Institution with the Issuer, and an analysis of the costs and benefits of the proposed financing and refinancing. All individuals must wear a face mask for the duration of their attendance at the public hearing.

Minutes of the hearing will be made available to the County Executive of the County of Westchester. Approval of the issuance of the Series 2022 Bonds by the County Executive of the County of Westchester is necessary in order for the interest on the Series 2022 Bonds to be excluded from gross income for federal income tax purposes.

Dated: December 27, 2021

**WESTCHESTER COUNTY LOCAL
DEVELOPMENT CORPORATION**

By: Corazon Pineda

Title: Secretary

EXHIBIT B

MINUTES OF PUBLIC HEARING

ON JANUARY 5, 2022

Westchester County Local Development Corporation

Revenue Refunding Bonds, Series 2022A

(Kendal on Hudson Project)

Westchester County Local Development Corporation

Revenue Refunding Bonds, Series 2022B

(Kendal on Hudson Project) (Forward Delivery)

1. Corazon Pineda, Secretary to the Westchester County Local Development Corporation (the “**Issuer**”), called the hearing to order.
2. Corazon Pineda then appointed herself the hearing officer of the Issuer, to record the minutes of the hearing.
3. The hearing officer then described the proposed issuance of the Bonds and the location and nature of the Project to be financed as follows:

Kendal on Hudson, a duly organized and validly existing New York not-for-profit corporation and an organization exempt from federal income taxation pursuant to Section 501(a) of the Internal Revenue Code of 1986, as amended (the “**Code**”), as an organization that is described in Section 501(c)(3) of the Code, having an office at 1010 Kendal Way, Sleepy Hollow, New York 10591 (the “**Institution**”), has applied to the Westchester County Local Development Corporation (the “**Issuer**”), to issue one or more series of tax-exempt bonds as part of a plan of finance and refinance, presently expected to include its Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project), as qualified 501(c)(3) bonds under Section 145 of the Code (the “**Series 2022A Bonds**”) and its Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery), as qualified 501(c)(3) bonds under Section 145 of the Code (the “**Series 2022B Bonds**” and together with the Series 2022A Bonds, the “**Series 2022 Bonds**”). The aggregate principal amount of the Series 2022 Bonds is presently estimated to be approximately \$61,000,000,

but will not exceed \$75,000,000. The proceeds of the Series 2022 Bonds will be used by the Institution to finance and refinance the costs of the Project (as defined below), which will consist of: (A) the refunding of the \$64,330,000 Westchester County Local Development Corporation Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013), of which approximately \$45,000,000 is currently outstanding (the “**Series 2013 Bonds**”), the proceeds of which were used for: (i) the refinancing of the Continuing Care Retirement Community Fixed Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003A) (the “**Series 2003A Bonds**”) issued by the County of Westchester Industrial Development Agency (the “**IDA**”), in the original aggregate principal amount of \$65,070,000, approximately \$21,465,000 of which were outstanding and the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003B) (the “**Series 2003B Bonds**”; and, together with the Series 2003A Bonds, the “**Series 2003 Bonds**”) issued by the IDA in the original aggregate principal amount of \$7,000,000, approximately \$6,425,000 of which were outstanding, the proceeds of which Series 2003 Bonds were used to fund a portion of the cost of the acquisition, construction and equipping of the continuing care retirement community known as “Kendal on Hudson” and related structures, and the acquisition and installation of machinery and equipment in connection therewith (the “**Original Facility**”), all for the establishment of a continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens, which then consisted of 222 independent living units, 24 enriched housing units, 42 skilled nursing facility beds, common areas and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities located on leased premises, consisting of 21 acres and with an address of 1010 Kendal Way in the Village of Sleepy Hollow, Town of Mount Pleasant, Westchester County, New York (the “**Land**”); and (ii) the refinancing of the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2007) issued by the IDA in the original aggregate principal amount of \$41,350,000 (the “**Series 2007 Bonds**”), approximately \$40,710,000 of which Series 2007 Bonds were outstanding and the proceeds of which were originally used to refinance a portion of the Series 2003A Bonds; and (iii) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds, including issuance costs of the Series 2013 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2013 Bonds; (B) the refunding of the \$18,000,000 Westchester County Local Development Corporation Revenue Bonds (Kendal on Hudson Project – Series 2014) of which approximately \$16,000,000 is currently outstanding (the “**Series 2014 Bonds**”), the proceeds of which were used for: (i) the financing of the costs of the renovation, construction, and equipping of the Original

Facility, including, but not limited to, the renovation thereof, which renovation included the reconfiguration of the existing health center and the construction of six additional health center units, and the acquisition and installation of machinery and equipment in connection therewith, all for the continued operation of an approximately 500,000 square foot (as renovated) continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens (the “**Series 2014 Facility**”); and together with the Original Facility, the “**Facility**”); and (ii) the paying of all or a portion of the costs incidental to the issuance of the Series 2014 Bonds, including issuance costs of the Series 2014 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2014 Bonds; and (C) paying of all or a portion of the costs incidental to the issuance of the Series 2022 Bonds, including issuance costs of the Series 2022 Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2022 Bonds (collectively, the “**Project**”).

The proceeds of the Series 2022 Bonds will be loaned by the Issuer to the Institution pursuant to the terms of one or more Loan Agreements between the Issuer and the Institution to pay the costs of the Project. The Series 2022 Bonds will be special obligations of the Issuer payable solely from loan payments made by the Institution to the Issuer pursuant to the Loan Agreements and certain other assets of the Institution pledged to the repayment of the Series 2022 Bonds. The Series 2022 Bonds shall not be a debt of the State of New York, or any political subdivision thereof, including Westchester County, and neither the State of New York, nor any political subdivision thereof, including Westchester County, shall be liable thereon.

4. The hearing officer then opened up the hearing for comments from the floor for or against the proposed issuance of the Series 2022 Bonds and the location and nature of the Project. The following is a listing of the persons heard and a summary of their views:

None.

5. The hearing officer then asked if there were any further comments and, there being none, the hearing was closed at 3:30 p.m.

Hearing Officer

STATE OF NEW YORK)

: SS.:

COUNTY OF WESTCHESTER)

I, the undersigned Secretary of the Westchester County Local Development Corporation, DO HEREBY CERTIFY:

That I have compared the foregoing copy of the minutes of a public hearing held by the Westchester County Local Development Corporation (the “**Issuer**”) on January 5, 2022, at Bleakley Conference Room A, Michaelian Office Building, 148 Martine Avenue, White Plains, New York and electronically, with the original thereof on file in the office of the Issuer and that the same is a true and correct copy of the minutes in connection with such matter.

I FURTHER CERTIFY that (i) pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and Section 1411 of the New York Not-For-Profit Corporation Law said hearing was open to the general public and public notice of the time and place of said hearing was duly given in accordance with Section 147(f) and Section 1411, (ii) the hearing in all respects was duly held, and (iii) members of the public had an opportunity to be heard.

IN WITNESS WHEREOF, I have hereunto set my hand as of January 5, 2022.

Secretary

NP Draft Dated 2/8/22

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

(WESTCHESTER COUNTY, NEW YORK)

and

BRIDGE FUNDING GROUP, INC.

as Bondholder

and

KENDAL ON HUDSON

BOND PURCHASE AND LOAN AGREEMENT

Dated as of [February] 1, 2022

[\$16,000,000]

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

REVENUE REFUNDING BONDS, SERIES 2022A

(KENDAL ON HUDSON PROJECT)

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. DEFINITIONS.	2
SECTION 1.01 Definition of Terms	2
SECTION 1.02 Parties to Benefit	14
ARTICLE 2. CLOSING OF LOAN; PURCHASE AND SALE OF SERIES 2022A BOND; PLEDGE OF PAYMENTS.	
14	
SECTION 2.01 Closing Date	14
SECTION 2.02 Conditions Precedent to Closing	14
SECTION 2.03 Opinion of Institution Counsel	16
SECTION 2.04 Assignment and Pledge of Payments	16
SECTION 2.05 Consent to Pledge and Assignment	16
ARTICLE 3. TERMS AND PROVISIONS OF THE SERIES 2022A BOND.	16
SECTION 3.01 Terms	16
SECTION 3.02 Security for the Loan	17
SECTION 3.03 Redemption	17
SECTION 3.04 Mutilated, Lost, Stolen or Destroyed Series 2022A Bond	18
SECTION 3.05 Registration, Reissue or Transfer of Series 2022A Bonds; Assumption of Bond Purchase and Loan Agreement	18
SECTION 3.06 Determination of Taxability	19
SECTION 3.07 Change in Corporate Tax Rate	19
SECTION 3.08 Maximum Rate, Payment of Fee	20
SECTION 3.09 Default Rate	20
SECTION 3.10 No Abatement or Setoff	21
SECTION 3.11 Payment Net	21
SECTION 3.12 Obligations Absolute	22
SECTION 3.13 Increased Costs, Capital Adequacy and Change in Rate	23
SECTION 3.14 Reinstatement of Obligations; Increased Payments	24
SECTION 3.15 Additional Provisions Relating to the Bond	26
ARTICLE 4. SERIES 2022A BOND PROCEEDS AND ESTABLISHMENT OF FUNDS.	26
SECTION 4.01 Establishment of Funds	26

SECTION 4.02	Disbursement and Application of Series 2022A Bond Proceeds	26
SECTION 4.03	Use of Money to redeem Series 2014 Bonds and pay Costs of Issuance	26
SECTION 4.04	Reserved	27
SECTION 4.05	Payments into Arbitrage Rebate Fund; Application of Arbitrage Rebate Fund	27
SECTION 4.06	Reserved	28
SECTION 4.07	Accounts and Inspection	28
ARTICLE 5.	PAYMENT AND PREPAYMENT BY ISSUER.	28
SECTION 5.01	Payment of Principal, Interest and Premium	28
SECTION 5.02	Prepayment of Loan and Redemption of Series 2022A Bonds	28
SECTION 5.03	Special Obligations	28
ARTICLE 6.	PROJECT REQUIREMENTS.	29
SECTION 6.01	Completion of the Project	29
SECTION 6.02	Maintenance, Repair and Replacement	29
SECTION 6.03	Government Requirements	30
SECTION 6.04	Warranty of Title; Utilities and Access	30
ARTICLE 7.	REPRESENTATIONS.	31
SECTION 7.01	Representations by Issuer	31
SECTION 7.02	Representations by Bondholder	32
SECTION 7.03	Representations by Institution	33
ARTICLE 8.	AFFIRMATIVE COVENANTS OF INSTITUTION.	36
SECTION 8.01	Financial Obligations	36
SECTION 8.02	Maintenance of Corporate Existence	39
SECTION 8.03	Securities Act Status	39
SECTION 8.04	Use of the Facility and Property	39
SECTION 8.05	Compliance with Laws	39
SECTION 8.06	Reserved	39
SECTION 8.07	Covenant as to Insurance	40
SECTION 8.08	Additional Provisions Respecting Insurance	41
SECTION 8.09	Damage or Condemnation	42
SECTION 8.10	Taxes and Assessments	42
SECTION 8.11	Reporting Requirements	42
SECTION 8.12	Arbitrage; Tax Exemption	43

SECTION 8.13	Tax Exempt Status	44
SECTION 8.14	Additional Information and Certifications	44
SECTION 8.15	Federal Reserve Regulations	44
SECTION 8.16	Changes in Accounting Reporting Methods and/or Financial Statements	45
SECTION 8.17	ERISA	45
SECTION 8.18	Filing of All Tax Returns; Payment of Taxes and Impositions	45
SECTION 8.19	Incorporation of Additional Covenants	46
SECTION 8.20	Access to Facility	46
SECTION 8.21	Right of Bondholder to Pay Taxes, Insurance Premiums and Other Charges	46
SECTION 8.22	Compliance with Orders, Ordinances, Etc.	47
ARTICLE 9. NEGATIVE COVENANTS OF THE INSTITUTION. 48		
SECTION 9.01	Negative Pledge	48
SECTION 9.02	Additional Indebtedness	48
SECTION 9.03	Mergers, Consolidations, Dissolutions or Sale of Assets	48
SECTION 9.04	Disposition of Assets	49
SECTION 9.06	Investments	49
SECTION 9.11	Depository Relationship	49
ARTICLE 10. FINANCIAL COVENANTS OF INSTITUTION. 49		
SECTION 10.01	Long-Term Debt Service Coverage Ratio	49
SECTION 10.02	Days' Cash on Hand	49
ARTICLE 11. EVENTS OF DEFAULT AND REMEDIES. 49		
SECTION 11.01	Events of Default	49
SECTION 11.02	Remedies on Default	51
SECTION 11.03	Remedies Cumulative	51
SECTION 11.04	Notice of Events of Default	51
ARTICLE 12. MISCELLANEOUS. 51		
SECTION 12.01	Limitation on Agreements	51
SECTION 12.02	Institution to Pay Expenses	52
SECTION 12.03	Indemnity by Institution	52
SECTION 12.04	Bondholder Indemnification	53
SECTION 12.05	Filing	53
SECTION 12.06	Notices	54

SECTION 12.07	Amendment	55
SECTION 12.08	Termination	55
SECTION 12.09	Binding Effect	55
SECTION 12.10	Execution of Counterparts	56
SECTION 12.11	Applicable Law	56
SECTION 12.12	Disclaimer of Personal Liability	56
SECTION 12.13	Severability	56
SECTION 12.14	Further Assurances	56
SECTION 12.15	Table of Contents and Section Headings Not Controlling	56
SECTION 12.16	Rights of Bondholder	57
SECTION 12.17	USA Patriot Act	57
SECTION 12.18	Actions of the Issuer	57
SECTION 12.19	Effective Date	57
SECTION 12.20	Costs, Expenses and Taxes	57
SECTION 12.21	No Waiver; Remedies	58
SECTION 12.22	Successors and Assigns	58
SECTION 12.23	Acquiescence Not to Constitute Waiver of Bondholder's Requirements	58
SECTION 12.24	Consequential Damages	58
SECTION 12.25	Exhibits	58
SECTION 12.26	WAIVER OF JURY TRIAL	59

EXHIBITS

Exhibit A	Form of Series 2022A Bonds
Exhibit B	Reserved
Exhibit C	Repayment Schedule
Exhibit D	Form of Series 2022A Promissory Note

BOND PURCHASE AND LOAN AGREEMENT

This BOND PURCHASE AND LOAN AGREEMENT, dated as of [February] 1, 2022 (this “**Bond Purchase and Loan Agreement**” or this “**Agreement**”), is by and among the WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION, a local development corporation of the State of New York created pursuant to Section 1411 of the New York Not-for-Profit Corporation Law, as amended (the “**Act**”), having an office at Michaelian Office Building, Room 903, 148 Martine Avenue, White Plains, New York 10601 (the “**Issuer**”), BRIDGE FUNDING GROUP, INC., a corporation organized and existing under the laws of the [State of Delaware and a wholly owned subsidiary of BankUnited, N.A.], having an office at 215 Schilling Circle, Suite 100, Hunt Valley, Maryland 21031 (together with any successors or assigns permitted hereunder, the “**Bondholder**”), and KENDAL ON HUDSON, a New York not-for-profit corporation and an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and exempt from federal income taxation pursuant to Section 501(a) of the Code, having an address at 1010 Kendal Way, Sleepy Hollow, New York 10591 (the “**Institution**”).

RECITALS

The Issuer, on [February __, 2022], adopted its resolution (the “**Resolution**”) authorizing the execution and delivery of this Bond Purchase and Loan Agreement and the issuance of its Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project), as qualified 501(c)(3) bonds under Section 145 of the Code, in the aggregate principal amount of \$[16,000,000] (the “**Series 2022A Bonds**”), described pursuant to the terms of this Bond Purchase and Loan Agreement for the purpose of providing funds for (A) the refinancing of the Revenue Bonds (Kendal on Hudson Project – Series 2014) (the “**Series 2014 Bonds**”) issued by the Issuer, in the original aggregate principal amount of \$18,000,000, approximately \$[16,000,000] of which are currently outstanding and the proceeds of which Series 2014 Bonds were used for (i) the financing of the costs of the renovation, construction, and equipping of the continuing care retirement community known as “Kendal on Hudson” located on leased premises, consisting of 21 acres and with an address of 1010 Kendal Way in the Village of Sleepy Hollow, Town of Mount Pleasant, Westchester County, New York, which renovation included the reconfiguration of the existing health center and the construction of six additional health center units, and the acquisition and installation of machinery and equipment in connection therewith, all for the continued operation of an approximately 500,000 square foot (as renovated) continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens (the “**Facility**”); and (ii) the paying of all or a portion of the costs incidental to the issuance of the Series 2014 Bonds, including issuance costs of the Series 2014 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2014 Bonds; and (B) paying of all or a portion of the costs incidental to the issuance of the Series 2022A Bond, including issuance costs of the Series 2022A Bond, capitalized interest and any reserve funds as may be necessary to secure the Series 2022A Bonds (collectively, the “**Project**”).

The issuance of such Series 2022A Bonds shall evidence the Issuer’s obligation to repay such aggregate principal amount, and the Issuer has agreed to issue, execute and deliver the Series 2022A Bonds, on the terms and conditions of this Bond Purchase and Loan Agreement. The execution and delivery of this Bond Purchase and Loan Agreement shall evidence the loan of the

proceeds of the Series 2022A Bonds to the Institution from the Issuer and the terms pursuant to which the Institution is obligated to repay such loan.

[The Institution has agreed to secure the payment obligations of the Institution under this Bond Purchase and Loan Agreement and the Series 2022A Bonds by the issuance of the Institution's [Obligation No. 1 – 2022], dated [February __], 2022 (the "**Series 2022A Obligation**"), pursuant to the terms of the Master Trust Indenture, dated as of [February] 1, 2022 (the "**Master Trust Indenture**"), by and between the Institution and UMB Bank, N.A., as master trustee (the "**Master Trustee**"), as amended and supplemented, including as amended and supplemented by the First Supplemental Master Trust Indenture, dated as of [February] 1, 2022 (the "**Series 2022A Supplemental Indenture**"; and, collectively with the Master Trust Indenture, the "**Master Indenture**").

The Series 2022A Obligation and all obligations issued pursuant to the Master Indenture will be secured by (i) a Leasehold Mortgage and Security Agreement, dated as of [February] 1, 2022 (the "**Mortgage**") from the Institution to the Issuer, which Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Mortgage, dated [February __], 2022 (the "**Assignment**"), from the Issuer to the Master Trustee, (ii) a pledge of Pledged Assets of the Obligated Group Members (as defined in the Master Indenture) under the Master Indenture, and (iii) the collateral assignment by the Institution to the Master Trustee of all of its rights under the Residency Agreements pursuant to that certain Assignment of Residency Agreements, dated as of [February] 1, 2022 (the "**Collateral Assignment of Residency Agreements**") and the Institution's Affiliation Agreement pursuant to the Assignment of Affiliation Agreement, dated as of [February] 1, 2022 (the "**Collateral Assignment of Affiliation Agreement**").]

The Series 2022A Bonds issued hereunder are special obligations of the Issuer payable solely from and secured by the payments to be made by the Institution pursuant hereto.

This Agreement provides for the following transactions:

- (a) the Issuer's issuance of the Series 2022A Bonds and the sale of the Series 2022A Bonds to the Bondholder;
- (b) the Issuer's loan of the proceeds of the Series 2022A Bonds to the Institution for the purpose of financing the Project;
- (c) the Issuer's assignment to the Bondholder of the Payments to be received hereunder and the rights to receive the same; and
- (d) the Institution's repayment of the loan of Series 2022A Bond Proceeds from the Issuer through payment to the Bondholder of all amounts necessary to pay the Series 2022A Bonds issued by the Issuer.

Accordingly, the parties agree as follows:

ARTICLE 1. DEFINITIONS

SECTION 1.01 **Definition of Terms.** *As used herein, unless the context shall otherwise require, the following terms shall have the following respective meanings:*

“Act” means the New York Not-for-profit Corporation Law, as amended.

“Affiliate” means any Person who or which, directly or indirectly, is in control of, is controlled by, or is under common control with, the Institution, or any other specified Person. For purposes of this definition, “control” means the power, direct or indirect, to vote 25% or more of the securities having voting power for the election of directors or trustees of a Person, or otherwise to direct or cause the direction of the management and policies of such Person whether by contract or otherwise, or means that a majority of the members of the board of trustees or directors of such Person are the same as a majority of the members of the board of trustees or directors of the Institution.

“Agency Obligations” means bonds, debentures, notes or other evidences of indebtedness issued by Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (including participation certificates), Federal National Mortgage Association, Resolution Funding Corporation of Federal Farm Credit System.

“Applicable Elected Representative” means any Person constituting an “applicable elected representative” within the meaning given to the term in Section 147(f)(2)(E) of the Code.

“Arbitrage Rebate Fund” means the fund so designated and held by the Bondholder pursuant to Section 4.01 of this Bond Purchase and Loan Agreement.

“Assignment” means the Assignment of Mortgage, dated [February __], 2022, from the Issuer to the Master Trustee.

“Authorized Officer” means (i) in the case of the Issuer, the Chair, the Vice Chair, the Executive Director, or any other officer and when used with reference to any act or document also means any other person authorized by a resolution or the by-laws of the Issuer to perform such act or execute such document; (ii) in the case of the Institution, when used with reference to any act or document, means the person or persons authorized by a resolution or the by-laws of the Institution to perform such act or execute such document; and (iii) in the case of the Bondholder, an authorized officer and when used with reference to any act or document, means the person or persons authorized by a resolution or the by-laws of the Bondholder to perform such act or execute such document.

“Bank Agreement” means any credit agreement, liquidity agreement, standby bond purchase agreement, reimbursement agreement, continuing covenants agreement, direct purchase agreement, bond purchase agreement, or other agreement or instrument (or any amendment, supplement or other modification thereof) under which, directly or indirectly, any Person or Persons undertake(s) to make payment, or provide funds to make payment of, or to purchase or provide credit enhancement for bonds or notes by or on behalf of the Institution.

“Bond Counsel” means the law firm of Nixon Peabody LLP, or an attorney or other law firm appointed by the Issuer, having a national reputation in the field of municipal bond law whose opinions are generally accepted by purchasers of municipal bonds.

“Bondholder”, “Holder”, “holder” or “Owner” means Bridge Funding Group, Inc. and its successors and assigns permitted hereunder.

“Bond Purchase and Loan Agreement” or “Agreement” means this Bond Purchase and Loan Agreement, dated as of [February] 1, 2022, among the Issuer, the Institution and the Bondholder, as the same may be amended, supplemented or otherwise modified, as permitted by this Bond Purchase and Loan Agreement.

“Bond Registrar” means Kendal on Hudson as Bond Registrar with respect to the Series 2022A Bond and its successors and assigns in such capacity.

“Bond Year” shall have the meaning in the Tax Regulatory Agreement.

“Business Day” means any day which is not a Saturday, a Sunday or a day on which the Bondholder or banking institutions chartered by the State or the United States of America are legally authorized to close in The City of New York.

“Closing Date” means the date of sale, issuance and delivery of the Series 2022A Bond.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

“Collateral Assignment of Residency Agreements” means the Collateral Assignment of Residency Agreements, dated as of [_____] 1, 2022, from the Institution to the Master Trustee, as the same may be amended from time to time.

“Collateral Assignment of Affiliation Agreement” means the Collateral Assignment of Affiliation Agreement, dated as of [_____] 1, 2022, from the Institution to the Master Trustee, as the same may be amended from time to time.

“Cost of Issuance” or “Costs of Issuance” means the items of expense incurred in connection with the authorization, sale and issuance of the Series 2022A Bonds, which items of expense shall include, but not be limited to, document printing and reproduction costs, filing and recording fees, legal fees and charges, charges and fees required by the Laws and regulations of the State, professional consultants’ fees, fees and charges for execution, transportation and safekeeping of Series 2022A Bonds, costs and expenses in connection with the refunding of Series 2014 Bonds and other costs, charges and fees, including those of the Issuer and the Bondholder, in connection with the foregoing.

“Cost of the Project” or “Costs of the Project” means the costs and expenses determined by the Institution, subject to the provisions of this Bond Purchase and Loan Agreement, to be necessarily or appropriately incurred in connection with the Project, including, but not limited to, (i) refunding the Series 2014 Bonds; and (ii) Costs of Issuance.

“County” means County of Westchester, New York.

“Days’ Cash on Hand” has the meaning given to such term in the Master Trust Indenture.

“Debt Service Payment” means, with respect to any Debt Service Payment Date, (i) the interest payable on such Debt Service Payment Date on all Series 2022A Bonds then Outstanding, plus (ii) the principal or redemption price, if any, payable on such Debt Service Payment Date on all such Series 2022A Bonds.

“Debt Service Payment Date” means [(i) with respect to interest payments, the first [calendar day] of each month, commencing on [____], 2022, and (ii) with respect to principal payments, the first [calendar day] of each month, commencing on [____], 2022] and continuing thereafter until the Maturity Date or until the Series 2022A Bonds have been paid in full.

“Default Rate” means [____].

“Designated Person” means a person or entity (i) listed in the annex to, or otherwise subject to the provisions of, any executive order; (ii) named as a “Specially Designated National and Blocked Person” (“SDN”) on the most current list published by Office of Foreign Asset Control of the United States Treasury at its official website or any replacement website or other replacement official publication of such list; or (iii) in which an entity or person on the SDN List has 50% or greater ownership interest or that is otherwise controlled by an SDN.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Institution files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Bondholder or any former Bondholder notifies the Institution and the Issuer that it has received a written unqualified legal opinion (which opinion shall not be a reasoned opinion and shall be subject to only customary assumptions and exclusions) by an attorney or firm of attorneys of nationally recognized standing on the subject of tax-exempt municipal finance and that is reasonably acceptable to the Institution and the Issuer and the Bondholder to the effect that an Event of Taxability has occurred unless, within one hundred eighty (180) days after receipt by the Institution of such notification from the Bondholder or any former Bondholder, the Institution shall deliver to the Issuer and Bondholder and any former Bondholder a ruling or determination letter issued to or on behalf of the Institution by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Institution shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Institution, or upon any review or audit of the Institution or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Institution shall receive notice from the Bondholder or any former Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Holder or such former Bondholder the interest on the Series 2022A Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the Institution has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that, within thirty (30) days of written demand from the Bondholder, the Institution shall promptly reimburse the Bondholder for any payments, including any taxes, interest, penalties or other charges, the Bondholder shall be obligated to make as a result of the Determination of Taxability.

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as enacted by the United States Congress, and signed into law on July 21, 2010, and all statutes, rules, guidelines or directives promulgated thereunder.

“Environmental Laws” means all provisions of laws, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by any governmental authority concerning health, safety and protection of, or regulation of the discharge of substances into, the environment.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“Event of Default” means any of those events defined as an Event of Default by Section 11.01 hereof. Upon the occurrence and during the continuance of any Event of Default, interest shall accrue at a rate equal to the Default Rate.

“Event of Taxability” means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Institution, or the failure to take any action by the Institution, or the making by the Institution of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Series 2022A Bond, but excluding any act of the Bondholder) which has the effect of causing interest paid or payable on the Series 2022A Bond to become includable, in whole, in the gross income of the Bondholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or

the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Series 2022A Bonds to become includable, in whole, in the gross income of the Bondholder for federal income tax purposes with respect to the Series 2022A Bonds.

“Excess Interest” has the meaning set forth in Section 3.08 hereof.

“Exempt Organization” means an organization described in Section 501(c)(3) of the Code and which is exempt from Federal income taxation pursuant to Section 501(a) of the Code.

“Facility” shall have the meaning ascribed thereto in the first recital paragraph of this Bond Purchase and Loan Agreement.

“Favorable Opinion of Bond Counsel” means an opinion of Bond Counsel addressed to the Issuer to the effect that the action proposed to be taken will not adversely affect the excludability of interest on the Bonds from gross income of the holders thereof for federal income tax purposes.

“Financing Documents” means this Bond Purchase and Loan Agreement, the Series 2022A Bonds, the Tax Regulatory Agreement, the Master Trust Indenture, the Series 2022A Supplemental Indenture, the Series 2022A Obligation, the Series 2022A Promissory Note, the Mortgage, the Assignment, the Collateral Assignment of Residency Agreements, the Collateral Assignment of Affiliation Agreement and any other documents executed by the Institution in connection with the issuance of, or the security for, the Series 2022A Bonds.

“Fiscal Year” means a twelve (12) month period beginning January 1st of a calendar year and ending on December 31st of such calendar year.

“Government Obligation” has the meaning given to such term in the Master Trust Indenture.

“Governmental Authority” means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

“Governmental Requirements” means any present and future Laws, rules, orders, ordinances, regulations, statutes, requirements and executive orders of the United States, the State and any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of them, now existing or hereafter created, and having or asserting jurisdiction over the Facility or any part of either.

“Gross-Up Rate” means, with respect to any interest payment (including payments made prior to the Determination of Taxability), the rate necessary to calculate a total payment in an amount sufficient such that the sum of the interest payment plus an additional payment would, after reduced by the federal tax (including interest and penalties) actually payable thereon, equal the amount of the interest payment.

“Ground Lease” means the Ground Lease, dated as of August 16, 2002, as amended by a First Amendment to Ground Lease, dated as of March 27, 2003, each between Phelps Community Corporation, as lessor, and the Institution, as lessee.

“Hazardous Substance” means, without limitation, any flammable, explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, or toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

“Indebtedness” has the meaning given to such term in the Master Trust Indenture.

“Institution” means Kendal on Hudson and its successors and assigns permitted hereunder.

“Issuer” means (i) the Westchester County Local Development Corporation, a local development corporation of the State created under the Act, its successors and assigns, and (ii) any local governmental body resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

“Issuer Fee” means the fee payable to the Issuer in consideration for the Issuer’s internal costs and overhead expenses attributable to the issuance of the Series 2022A Bonds.

“Laws” means, collectively, all international, foreign, Federal, State and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“Lien” means any interest in Property securing an obligation owed to a Person whether such interest is based on the common law, statute or contract, and including but not limited to the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” also means any reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar encumbrances affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property which it has acquired or holds

subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

“Line of Credit Note” means the Line of Credit Note, dated as of [February __], 2022, secured under the Master Trust Indenture, issued to the Bondholder.

“Long-Term Debt Service Coverage Ratio” has the meaning given to such term in the Master Trust Indenture.

“Manager” means Kendal New York, or any successor management company appointed by the Institution to supervise the operation and management of the Project.

“Master Indenture” means the Master Trust Indenture, as the same may be amended, modified or supplemented from time to time, including as supplemented by the Series 2022A Supplemental Indenture.

“Master Lease” means the Master Ground Lease, dated as of August 2, 2001, between Phelps Memorial Hospital Association, as lessor, and Phelps Community Corporation, as lessee, as supplemented and amended by the Master Lessor’s Estoppel and Confirmation, dated April 30, 2003, and the Master Lessors’ Estoppel and Confirmation, dated December 20, 2007.

“Master Trust Indenture” means the Master Trust Indenture, dated as of [February] 1, 2022, by and between the Member of the Obligated Group and the Master Trustee.

“Master Trustee” means UMB Bank, N.A., a national banking association organized and existing under the laws of the United States of America, its successor and assigns.

“Material Adverse Effect” means (a) a material impairment of the ability of the Institution, taken as a whole, to perform under this Bond Purchase and Loan Agreement or any Financing Document to which it is a party; or (b) a material adverse effect upon the legality, validity, binding effect or enforceability of this Bond Purchase and Loan Agreement or any Financing Document; or (c) a material adverse effect upon the business, property, assets or condition (financial or otherwise) of the Institution, taken as a whole.

“Maturity Date” means, for the Series 2022A Bonds, [_____], 2042.

“Maximum Rate” means the maximum non-usurious lawful rate of interest permitted by applicable law.

“Mortgage” means the Leasehold Mortgage and Security Agreement, dated as of [February] 1, 2022, from the Institution to the Issuer, as it may be amended from time to time.

“MTI Obligations” means those obligations entered into under the Master Trust Indenture to secure the obligations of Obligated Group Members.

“Net Proceeds” means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses and costs (including attorneys’ fees) incurred in obtaining such gross proceeds.

“Obligated Group Member” or “Member of the Obligated Group” means the Institution and any additional members admitted to the Obligated Group in accordance with the provisions of the Master Trust Indenture.

“Officer’s Certificate” has the meaning given to such term in the Master Trust Indenture.

“Operating Revenues” has the meaning given to such term in the Master Trust Indenture.

“Organizational Documents” means, (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 in reference to Series 2022A Bonds, means, as of a particular date, all Series 2022A Bonds executed and delivered hereunder except:

- (i) any Series 2022A Bond canceled by the Bondholder at or before such date; and
- (ii) any Series 2022A Bond in lieu of or in substitution for which another Series 2022A Bond shall have been executed and delivered pursuant to Section 3.04 or Section 3.05 hereof.

“Payments” means all Debt Service Payments payable by the Institution to the Issuer, and assigned by the Issuer to the Bondholder under this Bond Purchase and Loan Agreement.

“Permitted Liens” has the meaning given to such term in the Master Trust Indenture.

“Permitted Investments” means and include any of the following securities, if and to the extent the same are permitted under applicable law:

- (a) Government Obligations;
- (b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons which have been stripped from Government Obligations, or receipts or certificates evidencing an undivided proportionate interest in payments from a pool of such Government Obligations or stripped interest coupons which are held in a custody or trust account by a commercial bank which is a member of the Federal Deposit Insurance Organization and which has combined capital, surplus and undivided profits of not less than \$50,000,000;
- (c) Agency Obligations;
- (d) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that (i) such obligations are rated, at the time of purchase

thereof, in one of the highest two credit rating categories by a Rating Agency, or (ii) (A) cash, Government Obligations or a combination thereof have been irrevocably pledged to and deposited into a segregated escrow account for the payment when due of the principal or redemption price of and interest on such obligations, (B) any cash pledged and deposited as aforesaid is in such amount and any Government Obligations so pledged and deposited are payable as to principal and interest in such amounts and on such dates as may be necessary, without reinvestment, to provide for the payment when due of the principal or redemption price of and interest on such obligations, (C) such obligations are not subject to redemption prior to maturity except as provided in the terms of such escrow account and (D) such obligations are rated at the time of purchase thereof in the highest credit rating category by a Rating Agency;

(e) deposits, federal funds or banker's acceptances of any bank, including a branch office of a bank which branch office is located outside the bank's home country, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, and provided such bank (i) has an unsecured, uninsured and unguaranteed obligation rated, at the time of purchase thereof, in one of the two highest rating categories by a Rating Agency, or (ii) is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in clause (i) above; and provided further that any such obligations are held by the Bondholder or by a bank, trust company or national banking association (other than the issuer of such obligation) during the term of such contract;

(f) deposits with any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$50,000,000, provided such deposits are fully insured by the Federal Deposit Insurance Corporation;

(g) investments in money market funds rated in one of the two highest rating categories by a Rating Agency; such funds may include those for which the Bondholder or an affiliate of the Bondholder provides services for a fee, whether as investment advisor, custodian, transfer agent, sponsor, distributor or otherwise;

(h) shares of an open-end, diversified investment company which is registered under the Investment Organization Act of 1940, as amended (including without limitation funds of the Bondholder or its affiliates), and which (i) invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof having in each instance a final maturity date of not more than one year from the date of purchase; (ii) seeks to maintain a constant net asset value per share; and (iii) has aggregate net assets of not less than \$50,000,000 on the date of purchase of such shares; and

(i) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, in one of the two highest rating categories by a Rating Agency.

“Person” or “Persons” means an individual, partnership, limited liability partnership, corporation, limited liability company, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

“Pledged Assets” has the meaning given to such term in the Master Trust Indenture.

“Project” has the meaning assigned thereto in the first recital paragraph of this Bond Purchase and Loan Agreement.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, tangible or intangible.

“Qualified Institutional Buyer” shall have the meaning set forth in Rule 144A of the Securities Act of 1933.

“Rating Agency” shall have the meaning given to such term in the Master Trust Indenture.

“Rebate Amount” means, with respect to any Series 2022A Bond, the amount computed as described in of the Tax Regulatory Agreement.

“Record Date” means, with respect to any Debt Service Payment Date, the date (whether or not a Business Day) ten (10) days next preceding such Debt Service Payment Date.

“Resolution” means the Issuer’s “Kendal on Hudson Authorizing Resolution” duly adopted by the Issuer on [February __,] 2022, authorizing the issuance, execution, sale and delivery of the Series 2022A Bonds and the execution and delivery of this Bond Purchase and Loan Agreement, as such resolution may be amended or supplemented from time to time.

“Risk-Based Capital Guidelines” means (i) the risk-based capital guidelines in effect in the United States on the date of this Bond Purchase and Loan Agreement, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States including transition rules, and any amendments to such regulations adopted prior to the date of this Bond Purchase and Loan Agreement.

“Sanctions Laws and Regulations” means (i) any sanctions, prohibitions or requirements imposed by any executive order or by any sanctions program administered by Office of Foreign Asset Control of the United States Treasury, and (ii) any sanctions measures imposed by the United Nations Security Council, European Union or the United Kingdom.

“Series 2013 Bonds” means the Issuer’s Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013) originally issued in the aggregate principal amount of \$64,330,000.

“Series 2014 Bonds” means the Issuer’s Revenue Bonds (Kendal on Hudson Project – Series 2014) originally issued in the aggregate principal amount of \$18,000,000.

“Series 2014 Trustee” means U.S. Bank National Association, as trustee for the Series 2014 Bonds.

“Series 2022A Bond Interest Rate” means [__]% per annum unless increased pursuant to Section 3.07 hereof or for an Event of Default hereunder or as otherwise provided hereunder.

“Series 2022A Bond Proceeds” means the aggregate amount, including any accrued interest, paid to the Issuer by the Bondholder pursuant to the Bond Purchase and Loan Agreement as the purchase price of the Series 2022A Bonds.

“Series 2022A Bonds” means the Issuer’s Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project) in the aggregate principal amount of \$[16,000,000] authorized and issued pursuant to the Resolution and this Bond Purchase and Loan Agreement to finance certain Costs of the Project and which Series 2022A Bonds are in substantially the form of Exhibit A attached to this Bond Purchase and Loan Agreement.

“Series 2022A Obligation” means [Obligation No. 1 – 2022], dated [February __, 2022], issued pursuant to the Series 2022A Supplemental Indenture as security for the Institution’s obligations under this Bond Purchase and Loan Agreement and the Series 2022A Promissory Note.

“Series 2022A Promissory Note” means the Promissory Note dated the Closing Date from the Institution to the Issuer, substantially in the form of Exhibit D to this Bond Purchase and Loan Agreement, evidencing the Institution’s obligations to make loan payments to the Issuer.

“Series 2022A Supplemental Indenture” means the [First Supplemental Master Trust Indenture], dated as of [February __, 2022], between the Member of the Obligated Group and the Master Trustee.

“Series 2022B Bonds” means the Issuer’s Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) in the aggregate principal amount of \$[_____] which are expected to be issued on [_____] , 2022.

“State” means the State of New York.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Institution.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement, dated [February __], 2022 and executed by an Authorized Officer of the Issuer and the Institution, including the appendices, schedules and exhibits thereto, executed in connection with the issuance of the Series 2022A Bonds in which the Issuer and the Institution make representations and agreements as to arbitrage compliance with the provisions of Section 141 through 150, inclusive, of the Code, or any similar certificate, agreement or other instrument made, executed and delivered in lieu of said certificate, in each case as

the same may be amended or supplemented from time to time in accordance with the terms thereof and with the terms of the Bond Purchase and Loan Agreement.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107 56, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Bond Purchase and Loan Agreement refer to this Bond Purchase and Loan Agreement.

SECTION 1.02 **Parties to Benefit.** *This Bond Purchase and Loan Agreement is executed in connection with the issuance of the Series 2022A Bonds by the Issuer. Except as otherwise expressly provided herein, nothing herein, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Issuer, the Institution and the Bondholder, any right, remedy or claim, legal or equitable, hereunder or by reason hereof or of any provision hereof, all the provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Institution and the Bondholder.*

ARTICLE 2.

CLOSING OF LOAN; PURCHASE AND SALE OF SERIES 2022A BOND; PLEDGE OF PAYMENTS

SECTION 2.01 **Closing Date.** *The Bondholder agrees, subject to the terms and conditions of this Bond Purchase and Loan Agreement, to purchase the Series 2022A Bonds from the Issuer on the Closing Date, in the amount of \$[16,000,000] in immediately available funds. The Issuer agrees to lend the proceeds of the sale of the Series 2022A Bonds to the Institution in accordance with the terms of this Bond Purchase and Loan Agreement. The Institution agrees, that subject to the terms and conditions of this Bond Purchase and Loan Agreement, it is borrowing the proceeds of the sale of the Series 2022A Bonds from the Issuer and will repay such loan in accordance with the terms of this Bond Purchase and Loan Agreement and the Series 2022A Promissory Note.*

SECTION 2.02 **Conditions Precedent to Closing.**

(a) The Issuer’s obligation to deliver the Series 2022A Bonds, accept payment therefore and loan the proceeds thereof to the Institution is conditioned upon the purchase of the Series 2022A Bonds by the Bondholder in accordance herewith on the Closing Date and upon delivery to the Issuer and the Bondholder of the approving opinion of Bond Counsel and is subject to the further condition that all documents, certificates, opinions and other items delivered on the Closing Date shall be reasonably

satisfactory in form and substance to the Bondholder, to the Bondholder's counsel, to the Issuer, to the Issuer's counsel and to Bond Counsel.

(b) The obligation of the Bondholder to purchase the Series 2022A Bonds shall be subject to the satisfaction of the following conditions precedent and receipt of the documents, certificates and other items set forth below, in form and substance satisfactory to the Bondholder and its counsel:

(i) The executed original Series 2022A Bonds in the form set forth in Exhibit A hereto.

(ii) Certificates or other evidence as to (1) the due organization and existence of the Issuer and the Institution; (2) the due authorization, execution and delivery of this Bond Purchase and Loan Agreement and the other Financing Documents by the Issuer and the Institution, as applicable; (3) the absence of litigation involving the Issuer or the Institution that might reasonably be expected to materially affect the transactions contemplated hereby; (4) the existence of all required consents to this Bond Purchase and Loan Agreement and the absence of any Event of Default or any event which, with the giving of notice or the passage of time or both, would be an Event of Default with respect hereto; (5) the truth and accuracy of all representations and warranties contained in this Bond Purchase and Loan Agreement and the other Financing Documents; (6) the payment of all fees and expenses of the Issuer, the Bondholder, counsel to the Bondholder, and Bond Counsel; (7) the conformance of the use and operation of the Facility to all applicable zoning, planning, building and environmental and other laws and regulations of governmental authorities having jurisdiction over the Facility; and (8) the receipt of all necessary governmental permits, licenses and other authorizations relating to the use and operation of the Facility.

(iii) Delivery of a certified copy of the Resolution; proof of due corporate action by the Issuer and the Institution; and executed duplicate originals of this Bond Purchase and Loan Agreement and each other Financing Document.

(iv) A completed and executed Form 8038 or evidence of filing thereof with the Secretary of Treasury.

(v) Evidence that the issuance of the Series 2022A Bonds for the purpose of financing the Project has been approved by the Applicable Elected Representative after a public hearing held upon reasonable notice.

(vi) An opinion of counsel to the Issuer.

(vii) An opinion of counsel to the Institution complying with Section 2.03 hereof.

(viii) An opinion of Bond Counsel as to the valid issuance of the Series 2022A Bonds, and the excludability from gross income of the interest payable on the Series 2022A Bonds.

(ix) Such additional certificates, instruments or other documents as the Issuer, the Bondholder or Bond Counsel may reasonably require.

(x) The Bondholder shall have:

- A. received, reviewed and approved reasonably satisfactory insurance for the Facility; and
- B. received, reviewed and approved UCC, judgment, tax lien and litigation searches against the Institution.

SECTION 2.03 **Opinion of Institution Counsel.** *At or prior to the delivery of the Series 2022A Bonds there shall be delivered to the Issuer and the Bondholder an opinion or opinions of counsel to the Institution, in form and substance satisfactory to Bond Counsel, the Issuer and the Bondholder, addressed to the Issuer, the Bondholder and Bond Counsel.*

SECTION 2.04 **Assignment and Pledge of Payments.** *The Issuer hereby assigns, pledges and grants to the Bondholder upon the terms hereof (a) all Payments to be received from the Institution, (b) all rights to receive and collect such Payments and the proceeds of such rights, (c) all rights under the Series 2022A Promissory Note, and (d) all rights under the Series 2022A Obligation.*

SECTION 2.05 **Consent to Pledge and Assignment.** *The Institution consents to and authorizes the assignment, transfer and pledge by the Issuer to the Bondholder of the Payments, the Series 2022A Promissory Note and the Series 2022A Obligation as set forth in Section 2.04 hereof.*

ARTICLE 3.

TERMS AND PROVISIONS OF THE SERIES 2022A BOND

SECTION 3.01 **Terms.**

(a) **Maturity.** Interest on the Series 2022A Bond shall be payable monthly on each Debt Service Payment Date. Principal on the Series 2022A Bond shall be payable monthly on each Debt Service Payment Date. Payments of principal and interest on each Debt Service Payment Date are based on a mortgage-style amortization, as more particularly set forth on the Repayment Schedule attached hereto as Exhibit C and made a part herein. Principal and interest shall be payable at the office of the Bondholder at [623 Fifth Avenue, 12th Floor, New York, New York 10022] or at such other address as Bondholder may designate in writing to the Institution and the Issuer. All outstanding principal and interest on the Series 2022A Bond will be due and payable on [_____, 2042].

(b) **Interest.** The Series 2022A Bond shall be issued bearing interest at the Series 2022A Bond Interest Rate from the Closing Date up to and including [_____, 2042]. Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed on the outstanding principal amount of the Series 2022A Bond determined at the close of each day.

(c) Notice. The Bondholder will endeavor to send a notice to the Institution stating the amount of the Debt Service Payment due on the next succeeding Debt Service Payment Date at least five (5) Business Days prior to such Debt Service Payment Date; provided that the failure to furnish such notice shall not excuse non-payment of the amounts payable hereunder at the time and in the manner provided hereby.

SECTION 3.02 **Security for the Loan.**

(a) The Institution has agreed to secure the payment obligations of the Institution under this Bond Purchase and Loan Agreement and the Series 2022A Promissory Note by the issuance of the Institution's Series 2022A Obligation, pursuant to the terms of the Master Indenture.

(b) The Series 2022A Obligation and all MTI Obligations issued pursuant to the Master Indenture will be secured by (i) the Mortgage from the Institution to the Issuer, as assigned by the Issuer to the Master Trustee pursuant to the Assignment, (ii) a pledge of Pledged Assets of the Obligated Group Members under the Master Indenture, and (iii) until the Series 2022B Bonds are issued, the collateral assignment by the Institution to the Master Trustee of all of its rights under the Residency Agreements pursuant to the Collateral Assignment of Residency Agreements and the Institution's Affiliation Agreement pursuant to the Collateral Assignment of Affiliation Agreement.

(c) Contemporaneously with the issuance of the Series 2022B Bonds, the Bondholder hereby agrees to cause the Master Trustee to execute and deliver terminations of the Collateral Assignment of Residency Agreements and the Collateral Assignment of Affiliation Agreement to the Institution in recordable form.

SECTION 3.03 **Redemption.**

(a) The Series 2022A Bond shall be subject to redemption prior to the maturity thereof on the terms and at the prices set forth in subsections (b) and (c) of this Section 3.03.

(b) (i) From the Closing Date and through and including the seventh (7th) anniversary of the Closing Date, the Series 2022A Bond shall be subject to redemption by the Issuer, at the option and written direction of the Institution, in part on any Debt Service Payment Date in an annual aggregate principal amount not to exceed ten percent (10%) of the principal amount of the Series 2022A Bond Outstanding on the last day of then-previous Fiscal Year, on thirty (30) days prior written notice to the Bondholder and the Issuer at a redemption price equal to 100% of the principal amount of the Series 2022A Bond to be prepaid plus interest accrued thereon to the redemption date.

(ii) Commencing after the seventh (7th) anniversary of the Closing Date, the Series 2022A Bond shall be subject to redemption by the Issuer, at the option and written direction of the Institution, in whole or in part on any Debt Service Payment Date, on thirty (30) days prior written notice to the Bondholder and the Issuer at a redemption price equal to 100% of

the principal amount of the Series 2022A Bond to be prepaid plus interest accrued thereon to the redemption date.

The Institution may direct such redemption only if it shall prepay the loan from the Issuer under this Bond Purchase and Loan Agreement in an amount equal to the amount of the redemption price described above, plus accrued and unpaid interest.

(c) The Series 2022A Bond shall be subject to mandatory redemption, in whole or in part, on any Debt Service Payment Date from proceeds of a condemnation or insurance award, which proceeds are not used to repair, restore or replace the Facility at a redemption price equal to 100% of the principal amount of the Bonds to be prepaid plus interest accrued thereon to the redemption date.

SECTION 3.04 **Mutilated, Lost, Stolen or Destroyed Series 2022A Bond.**

(a) In the event any Series 2022A Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and deliver a new Series 2022A Bond of like maturity, interest rate and principal amount and bearing the same number as the mutilated, destroyed, lost or stolen Series 2022A Bond, in exchange for the mutilated Series 2022A Bond or in substitution for the Series 2022A Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicable holder shall furnish to the Issuer and the Institution (i) such indemnity as may be required by them to hold each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of such Series 2022A Bond and of the ownership thereof. Upon the issuance of any Series 2022A Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto plus any other expenses, including reasonable counsel fees, of the Issuer or the Institution. In case any Series 2022A Bond that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Series 2022A Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof, except in the case of a mutilated Series 2022A Bond) if the applicable holder shall furnish to the Issuer such indemnity as the Issuer may require to hold them harmless and evidence to the satisfaction of the Issuer of the mutilation, destruction, loss or theft of such Series 2022A Bond and of the ownership thereof. Any mutilated Series 2022A Bond shall be surrendered to the Issuer and shall be destroyed.

(b) Every Series 2022A Bond issued pursuant to the provisions of this Section 3.04 shall constitute an additional contractual obligation of the Issuer (whether or not the mutilated, destroyed, lost or stolen Series 2022A Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Purchase and Loan Agreement equally and proportionately with any and all other Series 2022A Bonds duly issued under this Bond Purchase and Loan Agreement.

(c) The Series 2022A Bonds shall be held and owned upon the express condition that the provisions of this Section 3.04 are exclusive with respect to the replacement or payment of a mutilated, destroyed, lost or stolen Series 2022A Bond, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or hereinafter enacted to the contrary.

SECTION 3.05 **Registration, Reissue or Transfer of Series 2022A Bonds; Assumption of Bond Purchase and Loan Agreement.**

(a) So long as any Series 2022A Bonds remain Outstanding, the Institution, as Bond Registrar, shall maintain and keep at the Institution's principal place of business (or at the principal place of business of any successor Bond Registrar) books for the transfer and registration of the Series 2022A Bonds; and upon presentation thereof for such purpose at such principal place of business, the Institution shall register or cause to be registered therein, and permit to be transferred thereon, only to Qualified Institutional Buyers, any Series 2022A Bond entitled to registration or transfer in accordance with the terms of this Bond Purchase and Loan Agreement and such Series 2022A Bond. So long as any Series 2022A Bonds remain Outstanding, the Institution shall make all necessary provisions to permit the exchange of Series 2022A Bonds at the principal place of business of the Institution. Each Series 2022A Bond shall be transferable only upon the books of the Institution, which shall be kept for that purpose at the principal place of business of the Institution (or any successor Bond Registrar) by the registered Owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer in the form attached to the Series 2022A Bonds and duly executed by the registered Owner or his attorney duly authorized in writing. Upon receipt of a written request to transfer any such Series 2022A Bond and upon receipt of an unqualified assumption of all of the terms of this Bond Purchase and Loan Agreement which shall contain, without limitation, a certification from the transferee that such transferee is a Qualified Institutional Buyer and a reaffirmation by the transferee of the representations and warranties set forth in Section 7.02 hereof, the Institution shall request the Issuer to issue in the name of the transferee a new Series 2022A Bond of the same aggregate principal amount, maturity and rate of interest as the surrendered Series 2022A Bond.

(b) The Issuer, the Institution and the Bondholder, or any successor Bond Registrar of the Institution, may deem and treat the person in whose name any Outstanding Series 2022A Bond shall be registered upon the books of the Institution as the absolute Owner of such Series 2022A Bond, whether such Series 2022A Bond shall be overdue or not, for all purposes, and none of the Issuer, the Institution or the Bondholder or any successor Bond Registrar of the Institution shall be affected by any notice to the contrary. The term "Series 2022A Bond" shall include a Series 2022A Bond issued by the Issuer at the request of the Institution in exchange for or upon transfer of any Series 2022A Bond under this Section 3.05.

SECTION 3.06 ***Determination of Taxability.*** *[Upon the occurrence of a Determination of Taxability, the Institution shall, with respect to future interest payments, begin paying principal and interest payments on the Bonds calculated at the Gross-Up Rate. In addition, the Institution shall make immediately upon demand of the Bondholder a payment to the Bondholder sufficient to supplement prior payments of principal and interest on the Bonds to the Gross-Up Rate as may be necessary to reflect the date or retroactive date on which the Determination of Taxability begins the imposition of income tax on the Series 2022A Bonds].*

SECTION 3.07 ***Change in Corporate Tax Rate.***

(a) If on any day when the Gross-Up Rate is not in effect and the maximum marginal statutory rate of federal tax ("**Maximum Marginal Statutory Rate**") imposed upon income of corporations generally (whether or not the Bondholder is actually taxed at said Maximum Marginal Statutory Rate) decreases, and as a result thereof in the reasonable opinion of the Bondholder, the rate of return on the Bondholder's capital as a consequence of the Bondholder's ownership of the Series 2022A Bonds is reduced to a level below that which the Bondholder could have achieved

but for such change in the Maximum Marginal Statutory Rate then, in such case upon notice from the Bondholder to the Institution from time to time, the Institution shall pay directly to the Bondholder as an additional fee, an additional amount or amounts on each periodic interest payment date as shall compensate the Bondholder for such reduction in the Bondholder's rate of return. Such written notice shall contain the statement of the Bondholder with regard to any such amount or amounts and set forth the basis on which such calculation is made. The Institution shall pay such amounts to the Bondholder, together with any interest payment hereunder. Additional costs paid under this Section 3.07(a) shall be considered fees and shall not be considered additional interest on the Series 2022A Bonds.

(b) If on any date when the Gross-Up Rate is not in effect and the Maximum Marginal Statutory Rate imposed upon income of corporations generally (whether or not the Bondholder is actually taxed at said Maximum Marginal Statutory Rate) increases, the Institution may request that the Bondholder agree to a decrease in the interest rate on the Series 2022A Bonds reflecting such change to the product of the interest rate then in effect times the Tax-Exempt Rate Factor (as hereinafter defined). For this purpose, "Tax-Exempt Rate Factor," as determined at any time, means the greater of (A) the quotient of (i) one minus the Maximum Marginal Statutory Rate in effect from time to time divided by (ii) one minus the Maximum Marginal Statutory Rate in effect as of the Closing Date and (B) 0.85. The Maximum Marginal Statutory Rate as of the Closing Date is 21%, with the result that the Tax-Exempt Rate Factor is currently 1.0. The Bondholder agrees that it will agree to such change so long as the following conditions are met: (a) the new interest rate on the Series 2022A Bonds provides the Bondholder the same net return as it has been receiving; (b) the Institution provides the Bondholder and the Issuer with documentation reflecting and effecting such change in form and substance acceptable to the Bondholder and the Issuer and their respective counsel in their discretion; and (c) the Bondholder and the Issuer received an opinion of nationally-recognized bond counsel acceptable to the Issuer and the Bondholder that such change will not adversely affect the exclusion from federal income taxation of the interest on the Series 2022A Bonds. The Institution and the Bondholder acknowledge that any change to the interest rate or other terms of the Series 2022A Bonds must receive the approval of the Issuer and must satisfy the requirements of Section 12.07.

SECTION 3.08 **Maximum Rate, Payment of Fee.** *If the rate of interest payable for any period in accordance with the terms hereof or on the Bonds shall exceed the Maximum Rate for any period for which interest is payable, then (a) interest at the Maximum Rate shall be due and payable with respect to such interest period, and (b) interest at the rate equal to the difference between (i) the rate of interest calculated in accordance with the terms hereof without regard to the Maximum Rate and (ii) the Maximum Rate (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the Institution shall pay to the Bondholder, with respect to amounts then payable to the Bondholder that are required to accrue interest hereunder and under the Bonds, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bondholder to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bondholder. Notwithstanding the foregoing, on the date on which no principal amount with respect to the Bonds remains unpaid, the Institution shall pay to the Bondholder a fee equal to any accrued and unpaid Excess Interest.*

SECTION 3.09 **Default Rate.** *Upon the occurrence and continuance of an Event of Default, the principal and accrued interest on the Bonds may be declared to be forthwith due*

and payable, and interest on the Bonds and all other obligations hereunder shall immediately accrue at the Default Rate and be calculated on the basis of a 360-day year and actual days elapsed. In addition, any amounts not paid to the Bondholder when due shall immediately accrue interest at the Default Rate.

SECTION 3.10 *No Abatement or Setoff.* *The Institution shall pay all loan payments and all additional sums required hereunder without suspension or abatement of any nature, notwithstanding that all or any part of the Institution's facilities shall have been wholly or partially destroyed, damaged or injured and shall not have been repaired, replaced or rebuilt. So long as any portion of the Series 2022A Bonds remains Outstanding, the obligation of the Institution to pay all sums due from the Institution hereunder shall be absolute and unconditional for which the Institution pledges its full faith and credit and shall not be suspended, abated, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever, regardless of any rights of setoff, recoupment or counterclaim that the Institution might otherwise have against the Issuer, the Bondholder or any other party or parties and regardless of any contingency, act of god, event or cause whatsoever and notwithstanding any circumstances or occurrence that may arise or take place after the date hereof, including but without limiting the generality of the foregoing:*

- (a) any damage to or destruction of any part or all of the Facility;
- (b) the taking or damaging of any part or all of the Facility, by any public authority or agency in the exercise of the power of or in the nature of eminent domain or by way of a conveyance in lieu of such exercise or otherwise;
- (c) any assignment, novation, merger, consolidation, or transfer of assets, whether with or without the approval of the Issuer;
- (d) any failure of the Issuer to perform or observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or in connection with this Agreement and the Bond;
- (e) any act or circumstances that may constitute an eviction or constructive eviction;
- (f) failure of consideration, failure of title or commercial frustration;
- (g) any change in the tax laws or other laws of the United States or of any state or other governmental authority; or
- (h) any determination that the Series 2022A Bonds or the interest payable thereon is subject to federal taxation.

SECTION 3.11 *Payment Net.* *All payments by the Institution of principal, premium, if any, and interest on, the Series 2022A Bonds and all other amounts payable hereunder and under the other Financing Documents shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other charges of any nature whatsoever imposed by any taxing authority, but excluding franchise taxes and taxes imposed on or measured by the*

Bondholder's net income or receipts (such non-excluded items being called "Taxes"). In the event that any withholding or deduction from any payment to be made by the Institution is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then the Institution will:

- (a) pay directly to the relevant authority the full amount required to be so withheld or deducted;
- (b) promptly forward to the Bondholder an official receipt or other documentation reasonably satisfactory to the Bondholder evidencing such payment to such authority; and
- (c) pay to the Bondholder such additional amount or amounts as is reasonably necessary to ensure that the net amount actually received by the Bondholder will equal the full amount the Bondholder would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against the Bondholder with respect to any payment received by the Bondholder under this Agreement or pursuant to any other Financing Document, the Bondholder may pay such Taxes and the Institution will promptly pay such additional amount (including any penalties, interest or expenses) as is reasonably necessary in order that the net amount received by the Bondholder after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount the Bondholder would have received had no such Taxes been asserted.

If the Institution fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Bondholder the required receipts or other required documentary evidence, the Institution shall indemnify the Bondholder for any incremental Taxes, interest or penalties that may become payable by the Bondholder as a result of any such failure.

SECTION 3.12 ***Obligations Absolute. The obligations of the Institution under this Agreement shall be absolute, unconditional and irrevocable and shall be paid strictly as provided herein under all circumstances, including, without limitation, the following:***

- (a) any lack of validity or enforceability of the Financing Documents, or any other agreement or instrument relating thereto;
- (b) any amendment or waiver of, or any consent to departure from, all or any of the terms of the Financing Documents, or any other agreement or instrument relating thereto;
- (c) the existence of any claim, setoff, defense or other rights which the Institution may have at any time against the Bondholder or any other Person, whether in connection with this Agreement, the transactions contemplated by the Financing Documents or any unrelated transaction;
- (d) any exchange, acceptance, release or non-perfection as to any collateral or release or addition of any other Person primarily or secondarily liable;
- (e) any draft, certificate or statement presented under any Financing Document proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(f) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing, provided that such circumstance or happening shall not have been the result of the fraud, gross negligence or willful misconduct of the Bondholder.

SECTION 3.13 **Increased Costs, Capital Adequacy and Change in Rate.**

(a) The Institution recognizes that the cost to the Bondholder of maintaining the Bonds may fluctuate and the Institution agrees to pay to the Bondholder additional amounts to compensate the Bondholder for any increase in its actual costs incurred in maintaining the Bonds or any other indebtedness evidenced by this Agreement or for the reduction of any amounts received or receivable from the Institution, as a result of any of the following in addition to the provisions of Sections 3.07 and 3.08 above:

(i) if the application of any law, rule, regulation or guideline adopted or arising out of any applicable report of the Basel Committee on Banking Regulations and Supervisory Practices or in connection with the Dodd-Frank Act or in connection with the Bank for International Settlements, or the adoption after the date hereof of any other law, rule, regulation or guideline regarding capital adequacy, or any change after the date hereof in any of the foregoing, or in the interpretation or administration thereof by any domestic or foreign governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Bondholder, with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has the effect of reducing the rate of return on the Bondholder's capital to a level below that which the Bondholder would have achieved but for such application, adoption, change or compliance (taking into consideration the policies of the Bondholder with respect to capital adequacy), then, from time to time the Institution shall pay to the Bondholder such additional amounts as will compensate the Bondholder for such reduction with respect to any portion of the then outstanding principal amount of the Bonds. Notwithstanding the foregoing, for purposes of this Agreement (a) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a change in law, regardless of the date enacted, adopted or issued, and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or any governmental authority shall be deemed a change in law regardless of the date enacted, adopted or issued.

(b) Any amount payable by the Institution under subsection (a) above shall be paid within ten (10) days of receipt by the Institution of a certificate signed by an authorized officer of the Bondholder setting forth the amount due and the basis for the determination of such amount, which statement shall be conclusive and binding on the Institution, absent manifest error. Failure on the part of the Bondholder to demand payment from the Institution for any such amount attributable to any particular period shall not constitute a waiver of the Bondholder's right to demand payment of such amount for any subsequent or prior period. In addition, and not by way of limitation of the foregoing, if a determination is made pursuant to this Section 3.13 then as of the date of such determination the rate of interest on the Bonds will automatically convert to a

taxable equivalent rate and the Institution shall, in addition, reimburse the Bondholder the amount of any penalties incurred by the Bondholder as a result of such determination. Amounts paid pursuant to this Section 3.13 shall be treated as fees and not as additional interest on the Bonds.

(c) If, by reason of a change in any applicable law, rule, regulation or guideline occurring after the date hereof, the Institution is required to make any deduction or withholding in respect of any taxes, duties or other charges from any payment due under the Bonds to the maximum extent permitted by applicable law, the sum due from the Institution in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Bondholder receives and retains a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made.

SECTION 3.14 Reinstatement of Obligations; Increased Payments. *If and to the extent the Bondholder receives any payment with respect to the Series 2022A Bonds or this Bond Purchase and Loan Agreement and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside, or required to be repaid by the Bondholder or paid over to a trustee, receiver, or any other entity, whether under any bankruptcy law or otherwise (any such payment is referred to as a "Returned Payment"), then this Bond Purchase and Loan Agreement shall continue to be effective or shall be reinstated, as the case may be, to the extent of such payment or repayment by the Bondholder, and the Series 2022A Bonds or part thereof intended to be satisfied by such Returned Payments shall be revived and continued in full force and effect as if the Returned Payment had not been made.*

(a) The Institution agrees that if, because of any new law or regulation, Risk-Based Capital Guidelines, policy, guideline, interpretation, or directive, or because of any change in any existing law, regulation, Risk-Based Capital Guidelines, policy, guideline, interpretation, or directive, or in the interpretation thereof by any official authority, if having the force of law or in any other respect obligatory upon the Bondholder, including specifically but without limitation all requests, rules, guidelines or directives in connection with the Dodd-Frank Act and all rules, guidelines or directives promulgated by the Bank for International Settlements, or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority), regardless of the date enacted, adopted, issued, promulgated or implemented, which comes into effect after the date of this Bond Purchase and Loan Agreement:

(i) the Bondholder should, with respect to this Bond Purchase and Loan Agreement, the Series 2022A Bonds or any transaction hereunder, be subject to any additional tax, charge, fee, deduction or withholding of any kind whatsoever, or

(ii) increased insurance premiums, reserve requirements, or changes in levels of reserves, deposits, insurance or capital (including any allocation of capital requirements or conditions) should be imposed on the Bondholder with respect to this Bond Purchase and Loan Agreement, the Series 2022A Bonds or any transactions hereunder or thereunder, or

(iii) any of the above-mentioned measures, should result in (A) any increase in the cost to the Bondholder of owning the Series 2022A Bonds or any transaction under this Bond Purchase and Loan Agreement, or (B) any reduction in the amount

of principal, interest or any fee receivable by the Bondholder in respect of the Series 2022A Bonds or this Bond Purchase and Loan Agreement or of any transaction under this Bond Purchase and Loan Agreement or (C) any reduction in the yield or rate of return of the Bondholder on the Series 2022A Bonds, to a level below that which the Bondholder could have achieved but for the adoption or modification of any such requirements,

then the Institution agrees to pay a fee to the Bondholder equal to such increased cost or reduction in yield or rate of return. In determining any such amounts, the Bondholder will act reasonably and in good faith, using averaging and attribution methods which are reasonable, and will notify the Institution within a reasonable period after it becomes aware of any such change. Such amount shall, to the extent permitted by law, be due and payable by the Institution to the Bondholder within thirty (30) days from the date the Bondholder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof.

(b) (i) In the event a Determination of Taxability occurs, to the extent not payable to the Bondholder under the terms hereunder and the Series 2022A Bonds, the Institution hereby agrees to pay to the Bondholder, upon thirty (30) days written demand therefor (1) a fee amount equal to the difference between (A) the amount of interest that would have been paid to the Bondholder on the Series 2022A Bonds during the period (commencing on the Determination of Taxability) for which interest on the Series 2022A Bond is included in the gross income of the Bondholder (the “**Taxable Period**”) if the Series 2022A Bond had borne interest at the Gross-Up Rate during the Taxable Period, and (B) the amount of interest actually paid to the Bondholder during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Bondholder as a result of interest on the Series 2022A Bonds becoming included in the gross income of the Bondholder, together with any and all attorneys’ fees, court costs, or other out-of-pocket costs incurred by the Bondholder in connection therewith.

(ii) Subject to the provisions of clauses (iii) and (iv) below, the Bondholder shall afford the Institution the opportunity, at the Institution’s sole cost and expense, to contest (1) the validity of any amendment to the Code which causes the interest on the Series 2022A Bonds to be included in the gross income of the Bondholder or (2) any challenge to the validity of the tax exemption with respect to the interest on the Series 2022A Bonds, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals).

(iii) As a condition precedent to the exercise by the Institution of its right to contest set forth in clause (ii) above, the Institution shall, on thirty (30) days written demand from the Bondholder, immediately reimburse the Bondholder for any and all expenses (including reasonable attorneys’ fees for services that may be required or desirable, as determined by the Bondholder in its sole discretion) that may be incurred by the Bondholder in connection with any such contest, and shall, on thirty (30) days written demand from the Bondholder, immediately reimburse the Bondholder for any and all penalties or other charges payable by the Bondholder for failure to include such interest in its gross income; and

(iv) The obligations of the Institution under this Section 3.14(b) shall survive the termination of this Bond Purchase and Loan Agreement, the termination of any of the other Financing Documents, and the redemption or other payment in full of the Series 2022A Bonds.

(c) The obligations of the Institution under this Section 3.14 shall survive the termination of this Bond Purchase and Loan Agreement and the redemption or other payment in full of the Series 2022A Bond.

SECTION 3.15 *Additional Provisions Relating to the Bond. Notwithstanding any provision to the contrary in this Agreement so long as the Bondholder is the registered owner of all of the outstanding Series 2022A Bonds:*

(a) During any period in which the Series 2022A Bonds are held by the Bondholder, the Series 2022A Bonds shall not be rated by any Rating Agency, shall not be registered in the name of “Cede & Co.” or otherwise be DTC eligible, shall not contain a CUSIP number and shall not be offered to prospective holders pursuant to any official statement, offering memorandum or any other disclosure documentation.

(b) The Issuer shall provide for physical delivery of the Series 2022A Bonds, in the form attached as Exhibit A to this Agreement, to the Bondholder and the Series 2022A Bonds shall be issued directly to the Bondholder to secure the obligations of the Institution to the Bondholder.

ARTICLE 4.

SERIES 2022A BOND PROCEEDS AND ESTABLISHMENT OF FUNDS

SECTION 4.01 *Establishment of Funds. The Westchester County Local Development Corporation Arbitrage Rebate Fund – Kendal on Hudson (the “Arbitrage Rebate Fund”) shall be established as a custodial fund prior to any necessary deposits therein with the Bondholder or an entity designated by the Bondholder and shall be held in trust by the Bondholder or such designee, as custodian, and maintained and administered by the Bondholder or such designee on behalf of the Issuer for the benefit of the Institution and in the name of the Institution in accordance with this Bond Purchase and Loan Agreement.*

SECTION 4.02 *Disbursement and Application of Series 2022A Bond Proceeds. The Bondholder shall deposit the Series 2022A Bond Proceeds in the following manner:*

(a) \$[] shall be shall be wired by the Bondholder directly to the Master Trustee for deposit in the [Cost of Issuance Fund] established under the Master Indenture to pay Costs of Issuance in accordance with Section 4.03.

(b) \$[] shall be wired by the Bondholder directly to the Series 2014 Trustee to redeem in full the Series 2014 Bonds in accordance with Section 4.03.

SECTION 4.03 *Use of Money to redeem Series 2014 Bonds pay Costs of Issuance.*

(a) The Bondholder is hereby authorized and directed by the Institution on the Closing Date, to transfer to the Series 2014 Trustee the sum of \$[_____] to redeem in full the outstanding Series 2014 Bonds.

(b) The Bondholder is hereby authorized and directed by the Institution on the Closing Date, to transfer to the Master Trustee the sum of \$[_____] for deposit in the [Cost of Issuance Fund] established under the Master Indenture, which funds shall be disbursed by the Master Trustee to pay Costs of Issuance.

SECTION 4.04 *Reserved.*

SECTION 4.05 *Payments into Arbitrage Rebate Fund; Application of Arbitrage Rebate Fund.*

(a) The amounts in the Arbitrage Rebate Fund shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Bondholder.

(b) The Bondholder, upon the receipt of a certification of the Rebate Amount from an Authorized Officer of the Institution, together with a copy of the report of the arbitrage rebate analyst required in accordance with Section 8.12(d) hereof, and upon receipt of funds from the Institution in the amount of such Rebate Amount, shall deposit in the Arbitrage Rebate Fund within thirty (30) days after the end of each Bond Year such amount such that the amount held in the Arbitrage Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of such Bond Year. The Authorized Officer of the Institution shall give at least five (5) days' notice to the Bondholder (with a copy to the Issuer) to make such deposits.

(c) In the event that on the first day of any Bond Year the amount on deposit in the Arbitrage Rebate Fund exceeds the Rebate Amount, the Bondholder, upon the receipt of written instructions from an Authorized Officer of the Institution (with a copy to the Issuer), shall withdraw such excess amount as calculated by an Authorized Officer of the Institution and an Authorized Officer of the Institution shall direct the funds to be disbursed to the Bondholder for application to the next principal payment on the Series 2022A Bonds.

(d) The Institution, upon written directions to the Bondholder (with a copy to the Issuer) or the Issuer, shall pay to the Department of the Treasury of the United States (the "**Treasury Department**"), out of amounts in the Arbitrage Rebate Fund, (i) not later than thirty (30) days after the last day of the fifth (5th) Bond Year and of every fifth (5th) Bond Year thereafter, an amount such that, together with prior amounts paid to the Treasury Department, the total paid to the Treasury Department is equal to ninety percent (90%) of the Rebate Amount with respect to the Series 2022A Bonds as of the date of such payment, and (ii) not later than thirty (30) days after the date on which the Series 2022A Bonds have been paid in full, one hundred percent (100%) of the Rebate Amount as of the date of such payment. All such amounts referenced in this Section 4.05 shall be determined by an Authorized Officer of the Institution and shall be part of the written direction. Each such payment shall be filed with the Internal Revenue Service, Ogden Submission Processing Center, Ogden, Utah 84201 or such other location designated by the IRS, accompanied by a copy of the Form 8038-T prepared by the Institution and executed by the Issuer.

(e) All rebate calculations required pursuant to this Section 4.05 shall be prepared for the Institution by an arbitrage rebate analyst in accordance with Section 8.12(d) hereof. Copies of all calculations of the Rebate Amount in accordance herewith and with the Tax Regulatory Agreement and all notices and certifications required under this Section 4.05 shall be sent to the Issuer by the Institution.

(f) All funds on deposit in the Arbitrage Rebate Fund shall be held uninvested.

SECTION 4.06 Reserved.

SECTION 4.07 Accounts and Inspection. *The Bondholder or its designee shall keep proper books of records and accounts (separate from all other records and accounts), in which complete and correct entries shall be made of its transactions relating to the Series 2022A Bonds, including copies of all invoices and requisitions submitted by the Institution. Such books and accounts, at reasonable hours on reasonable prior notice and subject to the reasonable rules and regulations of the Bondholder or its designee, shall be subject to the inspection of the Institution or the Issuer.*

ARTICLE 5.

PAYMENT AND PREPAYMENT BY ISSUER

SECTION 5.01 Payment of Principal, Interest and Premium. *The Issuer shall pay, or cause to be paid by the Institution, the principal of, interest on and premium, if any, on the Series 2022A Bonds as provided in the Series 2022A Bonds and as provided herein and in Section 5.03 hereof.*

SECTION 5.02 Prepayment of Loan and Redemption of Series 2022A Bonds. *Any partial or full prepayment of the loan shall effect a simultaneous partial or full redemption of the Series 2022A Bonds in accordance with Section 3.03 hereof.*

SECTION 5.03 Special Obligations.

(a) The Series 2022A Bonds are special obligations of the Issuer, and the principal of, interest and premium, if any, on the Series 2022A Bonds shall be payable solely out of the Payments. The Issuer shall not be obligated to pay any amounts due under this Bond Purchase and Loan Agreement, including without limitation, the principal of, interest on and premium, if any, on the Series 2022A Bonds from any Property or moneys of the Issuer other than the Payments or other amounts paid by the Institution to the Issuer pursuant to this Agreement for the purpose of making such payment. The Series 2022A Bonds are not and shall not be a debt of the State or any municipality of the State, including, without limitations, the County, and neither the State nor any such municipality, including, without limitations, the County, shall be liable thereon. The Bondholder hereby acknowledges that the Issuer shall have no liability for any other charges payable pursuant to, or expenses or liabilities incurred with respect to, obligations under this Bond Purchase and Loan Agreement, which obligations shall be payable by the Institution to the Bondholder in accordance with the terms hereof.

(b) All payments made by or on behalf of the Institution to the Owner of the Series 2022A Bonds, or upon its order, with respect to Debt Service Payments pursuant hereto shall, to the extent of the sum or sums so paid, satisfy and discharge the liability of the Issuer for Debt Service Payments payable upon the Series 2022A Bonds pursuant to this Bond Purchase and Loan Agreement.

(c) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Financing Documents to which it is a party and in the other documents and instruments supplemental thereto, shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent, servant or employee of the Issuer in his individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Financing Documents contained or otherwise based upon or in respect of the Financing Documents, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future member, officer, agent, servant or employee, as such, of the Issuer or of any successor public benefit corporation or political subdivision or any person so executing the Financing Documents, it being expressly understood that the Financing Documents are solely special obligations, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by, any such member, director, officer, agent, servant or employee of the Issuer or of any successor public benefit corporation or political subdivision or any person so executing the Financing Documents because of the indebtedness thereby authorized or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, officer, director, agent, servant or employee because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Financing Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Financing Documents and the issuance, execution, sale and delivery of the Series 2022A Bonds.

ARTICLE 6.

PROJECT REQUIREMENTS

SECTION 6.01 **Completion of the Project.** *In the event that the net proceeds of the Series 2022A Bonds are not sufficient to pay in full the redemption of the Series 2014 Bonds and the Costs of Issuance, the Institution agrees to pay, for the benefit of the Issuer and the Bondholder, all such sums as may be in excess of the net proceeds of the Series 2022A Bonds on the Closing Date to accomplish the redemption in full of the Series 2014 Bonds and the payment of the Costs of Issuance.*

SECTION 6.02 **Maintenance, Repair and Replacement.** *The Institution agrees that, throughout the term hereof, it shall, at its own expense, hold, operate and maintain the Facility in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, reasonable wear and tear excepted, and shall from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation of the Facility may be properly and advantageously conducted.*

The Institution further agrees that it shall pay at its own expense all ordinary and extraordinary costs of maintaining, repairing and replacing the Facility except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards.

SECTION 6.03 Government Requirements. *The Institution shall comply with (i) all Governmental Requirements with respect to the Facility, or any part thereof, and the construction, operation, maintenance, repair and replacement thereof which, if not complied with, could adversely affect the Institution, its operations or financial condition or the Facility in any material respect and (ii) any requirement of an insurance company writing insurance thereon irrespective of the nature of the work required to be done, extraordinary as well as ordinary and foreseen as well as unforeseen. Anything contained in this Section 6.03 to the contrary notwithstanding, the Institution shall have the right to contest the validity of any Governmental Requirement or the application thereof at the Institution's sole cost and expense. During such contest, compliance with any such contested Governmental Requirement may be deferred by the Institution, provided that prior to commencing any action or proceeding, administrative or judicial, contesting such Governmental Requirement the Institution shall notify the Issuer and the Bondholder of the Institution's intention to contest such Governmental Requirement and, if the Bondholder or the Issuer requests, shall furnish to the Issuer or the Bondholder, as applicable, a surety bond, money or other security, reasonably satisfactory to the Issuer or the Bondholder, as applicable, securing compliance with the contested Governmental Requirement and payment of all interest, penalties, fines, fees and expenses resulting from or in connection with such contest or the failure of the Institution to comply with the contested Governmental Requirement. Any such action or proceeding instituted by the Institution shall be commenced as soon as is reasonably possible after the assertion of the applicability to the Property of the Institution or any part thereof of the contested Governmental Requirement by a governmental authority, and shall be prosecuted to final adjudication or other final disposition with reasonable dispatch. Notwithstanding the furnishing of any bond, deposit or other security, the Institution promptly shall comply with any such Governmental Requirement and compliance shall not be deferred if at the time any Property of the Institution, or any part thereof, to which such contested Governmental Requirement relates, would in the reasonable judgment of the Bondholder be in substantial danger by reason of the Institution's noncompliance with such Governmental Requirement of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, Lien, charge, fee or penalty that would materially impair the ability of (i) the Issuer to fulfill the terms of any covenants or perform any of its obligations hereunder; or (ii) the Institution to fulfill the terms of any covenants or perform any of its obligations hereunder.*

SECTION 6.04 Warranty of Title; Utilities and Access.

(a) The Institution hereby warrants, represents and covenants to the Issuer and the Bondholder that (i) it has good and marketable title to or a leasehold interest in the Land and title to the Facility, free and clear of all Liens, except Permitted Liens, so as to permit it to have quiet enjoyment and use thereof for the purposes hereof and the Institution's business and (ii) the Institution has such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from its real Property for proper operation and utilization of the Facility and for utilities required to serve the Facility, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction, use and operation by the Institution of the Facility.

(b) The Institution warrants, represents and covenants that its Property (i) is and will be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation) and (ii) to the extent applicable, has and will have its own separate and independent means of access, apart from any other property owned by the Institution or others; provided, however, that such access may be through common roads or walks owned by the Institution used also for other parcels owned by the Institution.

ARTICLE 7. REPRESENTATIONS

SECTION 7.01 ***Representations by Issuer. The Issuer represents and warrants to the Bondholder and the Institution as follows:***

(a) The Issuer is duly established and validly existing under the provisions of the Act and has full legal right, power and authority to execute, deliver and perform each of the Financing Documents to which the Issuer is a party (the “**Issuer Documents**”) and the other documents contemplated thereby. Each of the Issuer Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Issuer.

(b) The Issuer will cause the Project to be financed and will loan the Series 2022A Bond Proceeds to the Institution pursuant to this Agreement.

(c) To finance the Project, the Issuer will issue the Series 2022A Bonds in the aggregate principal amount of \$[16,000,000]. The Series 2022A Bonds will be issued, mature, bear interest, be redeemable and have other terms and provisions as provided for in the Series 2022A Bonds and this Agreement.

(d) By Certificate of Approval duly executed on [February __], 2022, the Applicable Elected Representative, based upon a review of the materials submitted and the representations made by the Institution relating to the Project, approved issuance of the Series 2022A Bonds pursuant to Section 147(f) of the Code.

(e) Neither the execution and delivery of any of the Issuer Documents or the other documents contemplated thereby, or the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Issuer Documents or the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of the Act, any other law or ordinance of the State or any political subdivision thereof, the Issuer’s Certificate of Incorporation or By-Laws, as amended, or any corporate restriction or any agreement or instrument to which the Issuer is a party or by which it is bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Issuer under the terms of the Act or any such law, ordinance, Certificate of Incorporation, By-Laws, restriction, agreement or instrument, except for Permitted Liens.

(f) Each of the Issuer Documents and the other documents contemplated thereby constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

SECTION 7.02 **Representations by Bondholder.** *The Bondholder hereby agrees with and represents to the Issuer that:*

(a) The Bondholder is a [corporation, duly authorized and validly existing under the Laws of the State of Delaware].

(b) The Bondholder has duly authorized the execution, delivery and performance of this Bond Purchase and Loan Agreement. This Bond Purchase and Loan Agreement, when executed and delivered by the Bondholder, shall constitute a legal, valid and binding obligation of the Bondholder enforceable in accordance with its terms.

(c) The Bondholder is a Qualified Institutional Buyer and is purchasing the Series 2022A Bonds for its own account or for the account of an affiliate or a related entity and not for the account of others other than an affiliate or a related entity and without a present view to, or for, resale or redistribution to other Persons; however, the Bondholder shall have the right to resell the Series 2022A Bonds to another Qualified Institutional Buyer in accordance with the applicable rules and regulations of the Securities and Exchange Commission.

(d) The Bondholder has not offered the Series 2022A Bonds for resale and presently has no arrangement, written or oral, with any Person for the distribution, transfer or resale of the Series 2022A Bonds other than to an affiliate or a related entity, and, in the event of any such transfer or resale to any other Qualified Institutional Buyer, the Bondholder will comply in all respects with the securities Laws of the United States, the State and any other state of the United States (including the District of Columbia), to the extent then applicable, and in that regard will make or cause to be made to any prospective purchaser or transferee such disclosures with respect to the affairs and condition, financial or otherwise, of the Institution and the Issuer as may be then required or reasonably appropriate under the circumstances.

(e) The Bondholder has had an opportunity to make such investigations and has had access to such information concerning the affairs and condition, financial or otherwise, of the Institution in connection with and as a basis for the purchase of the Series 2022A Bonds as the Bondholder deems necessary under the circumstances, and in that connection, the Bondholder acknowledges that neither the Issuer nor Bond Counsel has made any investigation or inquiry with respect to the affairs and condition, financial or otherwise, of the Institution except, with respect to Bond Counsel, to the extent necessary to render its opinion; and that neither the Issuer nor Bond Counsel has made or does make any representation to the Bondholder with respect to the adequacy, sufficiency or accuracy of any financial statements or other information provided to the Bondholder with respect to the ability of the Institution to pay the Series 2022A Bonds or fulfill its other obligations with respect to the transactions contemplated in connection therewith; and that Bond Counsel has not made any investigation or inquiry with respect to the affairs and condition, financial or otherwise, of the Issuer except to the extent necessary to render its opinion.

(f) The Bondholder has determined that it does not require a private placement memorandum or other disclosure document in connection with the sale of the Series 2022A Bonds by the Issuer to the Bondholder in accordance with this Bond Purchase and Loan Agreement.

SECTION 7.03 **Representations by Institution.** *The Institution represents and covenants to the Bondholder and the Issuer:*

(a) The Institution (i) is a not-for-profit corporation duly organized, validly existing and in good standing under the Laws of the State, (ii) is an Exempt Organization and is not a “private foundation,” as such term is defined under Section 509(a) of the Code, (iii) has received a letter or other notification from the Internal Revenue Service (the “Determination Letter”) to that effect set forth in preceding item (ii) and the Determination Letter has not been modified, limited or revoked, (iv) is in compliance with all terms, conditions and limitations, if any, contained in the Determination Letter, and the facts and circumstances which form the basis of the Determination Letter as represented to the Internal Revenue Service continue to exist, and (v) is exempt from federal income taxes under Section 501(a) of the Code except for unrelated business income subject to the taxation under Section 511 of the Code.

(b) The Institution has full legal right, power and authority to execute, deliver and perform its obligations under the Financing Documents and to incur the indebtedness hereunder in the manner and to the extent provided herein.

(c) The Institution has duly authorized the execution, delivery and performance of each of the Financing Documents. The Financing Documents, when executed and delivered by the Institution, shall constitute legal, valid and binding obligations of the Institution enforceable in accordance with their respective terms.

(d) There is no action, suit, proceeding or investigation at law or in equity pending or, to the knowledge of the Institution, threatened in any court or before any administrative body, either state or federal, calling into question the creation, organization or existence of the Institution, the Institution’s right or authority to exercise any of its powers, the validity of the Financing Documents or the Issuer of the Institution to execute, deliver or perform any of the Financing Documents, or any other matter wherein an unfavorable decision, ruling or finding would have a Material Adverse Effect on the validity or enforceability of any of the Financing Documents.

(e) The Institution has not taken or omitted to take and will not take or omit to take any action which will in any way result in the Bond Proceeds being applied in a manner other than as described herein.

(f) The Institution will take all action and do all things that it is authorized by law to take and do in order to perform and observe all covenants and agreements on its part to be performed and observed under the Financing Documents.

(g) The Institution will execute, acknowledge, when appropriate, and deliver from time to time at the request of the Bondholder such instruments and documents as, in the reasonable opinion of the Bondholder or the Issuer, are necessary or desirable to carry out the intent and purpose of this Bond Purchase and Loan Agreement.

(h) The Institution repeats, confirms and incorporates by reference herein, with the same effect as if set forth herein in full, all the representations and covenants made by it in the Tax Regulatory Agreement, each of which is true and accurate in all material respects.

(i) The Institution is not currently in breach of, and neither the execution and delivery of the Financing Documents and all other documents contemplated thereby nor the issuance, execution and delivery of the Series 2022A Bonds nor the consummation of the transactions contemplated by the Financing Documents and all other documents contemplated thereby nor the fulfillment of or compliance with the provisions of the Series 2022A Bonds or any of the other Financing Documents and all other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of the Act, of any other law or ordinance of the State or any political subdivision thereof, of the Organizational Documents, as amended, of the Institution or of any corporate restriction or any agreement or instrument to which the Institution is a party or by which it or its Property is bound.

(j) The Institution has delivered to the Bondholder audited consolidated financial statements of the Institution as at and for the most recently audited Fiscal Year then ended, audited by CliftonLarsonAllen LLP or any other independent public accountants of nationally recognized standing acceptable to the Bondholder (the “**Submitted Financial Statements**”). Such Submitted Financial Statements are true and correct, have been prepared in accordance with generally accepted accounting principles (except as identified in the footnotes to the audited financial statements), consistently applied, and fairly present the financial condition, results of operations and cash flows of the Institution at such date and for such period on a consolidated basis. Since the date of the Submitted Financial Statements, there has been no material adverse change in the business, properties, condition (financial or otherwise) or operations, present or prospective, of the Institution nor any increase in its Indebtedness which has not been disclosed to the Bondholder in writing. No fact is known to the Institution which materially and adversely affects or in the future could reasonably be expected to (so far as it can reasonably foresee) materially and adversely affect the business, assets or liabilities, financial condition, results of operations or business prospects of the Institution which has not been set forth in such Submitted Financial Statements. Except as previously disclosed in writing to the Bondholder, the Institution has not incurred any Indebtedness since the date of the Submitted Financial Statements.

(k) The Institution (i) is duly authorized and licensed to operate its business under the laws, rulings, regulations and ordinances of the United States of America, the State and the departments, agencies and political subdivisions thereof, and (ii) has obtained all requisite approvals of the State, of federal, regional and local governmental bodies or other third Persons required to be obtained for the operation of, its respective business and the execution, delivery and performance of this Bond Purchase and Loan Agreement and the other Financing Documents to which it is a party. The Institution is not in violation of any applicable federal, state and local zoning, subdivision, environmental, pollution control, environmental or other laws, rules, regulations, codes and ordinances which violation would not, in the aggregate, have a Material Adverse Effect on the financial condition or operations of the Institution or the validity or enforceability against the Institution of this Bond Purchase and Loan Agreement or any of the other Financing Documents to which it is a party.

(l) Other than Permitted Liens the Institution and its Subsidiaries, if any, have good and marketable title to their respective real properties (other than properties which they lease) and good title to all of their other property and assets (other than properties and assets disposed of in the ordinary course of business), subject to no lien of any kind, except those Liens specifically permitted under this Bond Purchase and Loan Agreement and the Master Indenture.

- (m) The Institution is in good standing as a New York Not-for-Profit Corporation.
- (n) The primary direct or indirect business of the Institution and its Subsidiaries is the operation of the continuing care retirement community known as “Kendal on Hudson”.
- (o) The Institution is in compliance with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental bodies, domestic or foreign, in respect of the conduct of its respective business and the ownership of its respective property except such noncompliances as would not, in the aggregate, materially and adversely affect the financial condition or operations of the Institution, or the validity or enforceability against the Institution of this Bond Purchase and Loan Agreement or against the Institution of any of the Financing Documents to which it is a party.
- (p) Each defined benefit pension plan as to which the Institution may have any liability complies in all material respects with all applicable provisions of ERISA, including minimum funding requirements, and (i) no “prohibited transaction” (as defined under ERISA) has occurred with respect to any such plan, (ii) no “reportable event” (as defined under Section 4043 of ERISA) has occurred with respect to any such plan which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Section 4042 of ERISA, (iii) the Institution has not withdrawn from any such plan or initiated steps to do so, and (iv) no steps have been taken to terminate any such plan.
- (q) The Institution is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any amount advanced by the Bondholder hereunder will be used to purchase or carry any such margin stock or extend credit to others for the purpose of purchasing or carrying any such margin stock.
- (r) There are no suretyship agreements, guarantees or other contingent liabilities of the Institution that are not disclosed on the financial statements for the Fiscal Year ending December 31, 2020, heretofore provided to the Bondholder or as otherwise disclosed in writing to the Bondholder.
- (s) No indebtedness that is required to be, or will be, reduced or retired from the proceeds of the Bonds was incurred for the purpose of purchasing or carrying any securities or “margin stock” within the meaning of Regulation T or Regulation U of the Board of Governors of the Federal Reserve System (12 C.F.R. 220 and 12 C.F.R. 221, in each case as amended), and the Institution does not own or have any present intention to acquire any such margin stock.
- (t) The Institution is not in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which it is bound, to the extent such default would result in a materially adverse impact on the financial position or condition of the Institution.
- (u) The Institution is in compliance, in all material respects, with all Environmental Laws, including, without limitation, all Environmental Laws in jurisdictions in which the Institution owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of Hazardous Substances, solid waste or other waste, accepts or has

accepted for transport any Hazardous Substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. Except as disclosed to the Bondholder in writing, no litigation, action, proceeding, inquiry, request for information, administrative action or overt investigation arising under, relating to or in connection with any Environmental Law is pending or, to the best knowledge of the Institution, threatened against the Institution, any real property which the Institution holds or has held an interest or any past or present operation of the Institution. Except as disclosed to the Bondholder in writing, to the Institution's knowledge, no release, threatened release or disposal of Hazardous Substances, solid waste or other wastes is occurring, or to the best knowledge of the Institution, has occurred, on, under or to any real property in which the Institution holds any interest or performs any of its operations, in violation of any Environmental Law.

(v) As of the date hereof, neither any Financing Document nor any other document, certificate or statement furnished to the Issuer or the Bondholder by or on behalf of the Institution contains any untrue statement of a material fact with respect to the Institution or omits to state a material fact with respect to the Institution necessary in order to make the statements contained herein and therein not misleading. It is specifically understood by the Institution that all such statements, representations and warranties shall be deemed to have been relied upon by the Issuer as an inducement to make the Loan and issue the Bonds and by the Bondholder to purchase the Bonds.

(w) The Institution (i) will comply with all foreign and domestic laws, rules and regulations, including the USA Patriot Act, foreign exchange control regulations, foreign asset control regulations now or hereafter applicable to the transaction described herein or the Institution's execution, delivery and performance of this Agreement, (ii) agrees that none of the funds or assets of the Institution that are used to pay any amount due pursuant to this Agreement shall constitute funds obtained from transactions with or related to Designated Persons, or countries which are the subject of sanctions under any Sanctions Laws and Regulations; (iii) will not, directly or indirectly, use the proceeds of any loan, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person (A) to fund any activities or business of or with, any Designated Person, or in any country or territory that, at the time of such funding, is the subject of any sanctions under any Sanctions Laws and Regulations, or (B) in any other manner that would result in a violation of any Sanctions Laws and Regulations by any party under or in connection with this Agreement, and (iv) will, and shall ensure that each of its affiliated companies will, have appropriate controls and safeguards in place designed to prevent any proceeds of any transaction hereunder from being used contrary to the representations and undertakings set forth herein. Further, the Institution acknowledges and agrees to provide the Bondholder additional information, records and documents as requested by the Bondholder pursuant to the Bondholder's programs enacted to comply with Section 326 of the USA Patriot Act, the applicable regulations promulgated thereunder, and Bondholder's Customer Identification Program and authorizes the Bondholder to verify information as per the USA Patriot Act regulation.

ARTICLE 8.

AFFIRMATIVE COVENANTS OF INSTITUTION

SECTION 8.01 **Financial Obligations.**

(a) The Institution hereby unconditionally agrees to pay, or cause to be paid, to or upon the order of the Issuer, from its general funds or any other money legally available to it:

(i) On or before the date of delivery of the Series 2022A Bonds, the Issuer Fee in connection with issuance of the Series 2022A Bonds;

(ii) On or before the date of delivery of the Series 2022A Bonds, such amount, if any, as is required, in addition to the proceeds of the Series 2022A Bonds available therefore, to pay the Costs of Issuance of the Series 2022A Bonds;

(iii) On each Debt Service Payment Date, the interest due on the Series 2022A Bonds on such Debt Service Payment Date as shown in Exhibit C hereto;

(iv) On each Debt Service Payment Date, the principal due on the Series 2022A Bonds on such Debt Service Payment Date as shown in Exhibit C hereto;

(v) Promptly after notice from the Issuer, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Issuer (i) to reimburse the Issuer for payments made by it pursuant to paragraph (d) of this Section 8.01 and any expenses or liabilities incurred by the Issuer pursuant to this Agreement, (ii) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the issuance of the Series 2022A Bonds or the financing or refinancing of the Facility, including, but not limited to, costs and expenses of insurance and auditing, and (iii) for the costs and expenses incurred by the Issuer to compel full and punctual performance by the Institution of all the provisions hereof in accordance with the terms hereof and thereof;

(vi) Immediately upon declaration by the Bondholder, all amounts required to be paid by the Institution as a result of an acceleration pursuant to Section 11.02 hereof;

(vii) Promptly upon demand by the Issuer, the difference between the amount on deposit in the Arbitrage Rebate Fund or otherwise available therefor for the payment of any rebate required by the Code to be made and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Series 2022A Bonds; and

(viii) To the extent not otherwise set forth in this Section 8.01(a), including without limitation, in the event of any insufficiency, any amounts necessary to pay the principal or redemption price, if any, of, and interest on, the Series 2022A Bonds, on the dates, in the amounts, at the times and in the manner provided herein, whether at maturity, upon acceleration, redemption or otherwise.

The Issuer hereby irrevocably directs the Institution, and the Institution hereby agrees to make: (1) the payments required by subparagraphs (iii), (iv), (vi) and (viii) of this paragraph (a), directly to the Bondholder for application in accordance herewith; (2) the payments required by subparagraph (ii) of this

paragraph (a) from the [Costs of Issuance Fund] established under the Master Indenture; and (3) the payments required by subparagraphs (i), (v) and (vii) of this paragraph (a) directly to the Issuer.

(b) The Institution hereby unconditionally agrees to pay, or cause to be paid, to or upon the order of the Bondholder, from its general funds or any other money legally available to it:

(i) All amounts payable by the Institution to the Bondholder pursuant to Section 3.03 hereof and any other costs and fees pursuant to this Agreement;

(ii) Promptly after notice from the Bondholder, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Bondholder (i) to reimburse the Bondholder for payments made by it pursuant to paragraph (d) of this Section 8.01 and any expenses or liabilities incurred by the Bondholder pursuant to this Agreement, (ii) to reimburse the Bondholder for any external costs or expenses incurred by it attributable to the issuance of the Series 2022A Bonds or the financing or construction of the Facility, including, but not limited to, costs and expenses of insurance and auditing, and (iii) for the costs and expenses incurred by the Bondholder to compel full and punctual performance by the Institution of all the provisions hereof in accordance with the terms hereof and thereof.

(c) The obligations of the Institution to make payments or cause the same to be made hereunder shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the Institution may otherwise have against the Issuer, the Bondholder or any Holder of a Series 2022A Bond for any cause whatsoever including, without limiting the generality of the foregoing, failure of the Institution to occupy or use the Facility, any declaration or finding that the Series 2022A Bonds are or the Resolution is invalid or unenforceable or any other failure or default by the Issuer or the Bondholder; *provided, however*, that in the event the Issuer or the Bondholder, as applicable, shall fail to perform any of its respective agreements, duties or obligations, the Institution may institute such action as it may deem necessary to compel performance or recover damages for non-performance.

(d) The Issuer and the Bondholder shall have the right in their respective sole discretion to make on behalf of the Institution any payment required pursuant to this Section 8.01 which has not been made by the Institution when due; *provided, however*, that no payments shall be made by the Issuer or the Bondholder until any applicable notice and cure periods shall have expired as set forth herein. No such payment by the Issuer or the Bondholder shall limit, impair or otherwise affect the rights of the Issuer or the Bondholder under Section 11.02 hereof arising out of the Institution's failure to make such payment and no payment by the Issuer or the Bondholder shall be construed to be a waiver of any such right or of the obligation of the Institution to make such payment. The Bondholder and the Issuer hereby agree to make reasonable efforts to consult with each other prior to making any payments under this paragraph (d).

(e) To evidence its obligations under this Bond Purchase and Loan Agreement, the Institution has executed and delivered to the Issuer the Series 2022A Promissory Note, substantially in the form of Exhibit D attached to this Bond Purchase and Loan Agreement.

SECTION 8.02 Maintenance of Corporate Existence. *The Institution covenants that it will: (i) maintain its corporate existence, (ii) continue to operate as an Exempt Organization and a New York not-for-profit corporation, or (iii) obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditation as may be necessary for it to continue to so operate.*

SECTION 8.03 Securities Act Status. *The Institution represents that it is an Exempt Organization organized and operated: (i) exclusively for educational, benevolent or charitable purposes, (ii) not for pecuniary profit, and (iii) no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The Institution agrees that it shall not perform any act or enter into any agreement which shall adversely affect such status as set forth in clauses (i), (ii) and (iii) of this Section.*

SECTION 8.04 Use of the Facility and Property. *Subject to the rights, duties and remedies of the Issuer and the Bondholder hereunder, the Institution shall have sole and exclusive control and possession of and responsibility for the Facility, the supervision of the activities conducted therein or in connection with any part thereof, and the maintenance, repair and replacement of the Facility; provided, however, that, except as otherwise limited hereby, the foregoing shall not prohibit the use of the Facility by persons other than the Institution if, in the opinion of Bond Counsel, such use will not cause interest on the Series 2022A Bonds to be included in the gross income of the owners of the Series 2022A Bonds for purposes of federal income taxation. The Institution will cause all its respective Properties used or useful in the conduct of its business to be maintained and kept in good condition, repair, and working order, ordinary wear and tear and obsolescence excepted, and supplied with all necessary equipment. The Institution will make or cause to be made all necessary repairs, renewals, replacements, betterments, and improvements thereof, as may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times.*

SECTION 8.05 Compliance with Laws. *The Institution shall comply in all material respects with all laws, rules and regulations (including, without limitation, any laws relating to the protection of persons or the environment or ERISA and the rules and regulations thereunder), and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject; provided, however, that the Institution may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the Institution's power and authority to execute this Bond Purchase and Loan Agreement, to perform its obligations and pay all amounts payable by it hereunder, or the Institution's power and authority to execute and deliver the Financing Documents and to perform its respective obligations thereunder.*

SECTION 8.06 Reserved.

SECTION 8.07 **Covenant as to Insurance.** *At all times throughout the term of this Agreement, the Institution at its sole cost and expense shall maintain or cause to be maintained insurance covering the Facility against such risks and for such amounts as are customarily insured against by facilities of like size and type in the same geographic region and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:*

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Institution, but in no event less than the principal amount of the Series 2022A Bonds.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Institution is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Institution who are located at or assigned to the Facility.

(c) Insurance protecting the Issuer, the Bondholder, and the Institution against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Institution under Section 12.03 hereof) and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage) and with a blanket excess liability coverage in an amount not less than \$5,000,000 protecting the Issuer, the Bondholder and the Institution against any loss or liability or damage for personal injury, including bodily injury or death, or property damage.

(d) During any period of construction at the Facility (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the Institution shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

Premises and Operations

Products and Completed Operations

Owners Protective

Contractors Protective

Contractual Liability

Personal Injury Liability

Broad Form Property Damage

(including completed operations)

Explosion Hazard

Collapse Hazard

Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iii) Business auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Excess “umbrella” liability providing liability insurance in excess of the coverage’s in (i), (ii) and (iii) above with a limit of not less than \$5,000,000.

SECTION 8.08 **Additional Provisions Respecting Insurance.**

(a) All insurance required by Section 8.07 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies and authorized to write such insurance in the State and selected by the entity required to procure the same. The company issuing the policies required by Section 8.07(a) hereof shall be rated “A” or better by A.M. Best Co., Inc. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects (including the location of such companies in the same or similar geographic region) to those in which the procuring entity is engaged. All policies evidencing the insurance required by Section 8.07(a) hereof shall provide for payment to the Institution of the Net Proceeds of insurance resulting from any claim for loss or damage thereunder, and all policies of insurance required by Section 8.07 hereof shall provide for at least thirty (30) days’ prior written notice of the restriction, cancellation or modification thereof to the Issuer and the Bondholder. The policy evidencing the insurance required by Section 8.07(c) hereof shall name the Issuer, the Bondholder and the Master Trustee as additional insureds. All policies evidencing the insurance required by Section 8.07(d) (ii), (iii) and (iv) shall name the Issuer, the Bondholder, the Master Trustee and the Institution as additional insureds. Upon request of the Master Trustee, the Institution will assign and deliver to the Master Trustee the policies of insurance required under Section 8.07(a), so and in such manner and form that the Master Trustee shall at all times, upon such request and until the payment in full of the Series 2022A Bonds, have and hold said policies and the Net Proceeds thereof as collateral for the payment of the Series 2022A Obligation. The policies under Section 8.07(a) shall contain appropriate waivers of subrogation.

(b) The policies (or certificates and binders) of insurance required by Section 8.07(a) hereof shall be deposited with the Master Trustee on or before the Closing Date. A copy of the policy (or certificate and binder) of insurance required by Section 8.07(c) hereof shall be delivered to the Issuer on or before the Closing Date. A copy of the policy (or certificate or binder of insurance is required by Section 8.07(d) hereof shall be delivered to the Issuer on or before the earlier of the Closing Date or the commencement of the construction or renovation, if later. The Institution shall deliver to the Issuer and the Bondholder before the first Business Day of each twelve (12) month period thereafter a certificate dated not earlier than the immediately preceding

month reciting that there is in full force and effect, with a term covering at least the next succeeding twelve (12) month period, insurance of the types and in the amounts required by Section 8.07 hereof and complying with the additional requirements of Section 8.08(a) hereof. Prior to the expiration of each such policy or policies, the Institution shall furnish to the Issuer and the Bondholder a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by this Agreement. The Institution shall provide such further information with respect to the insurance coverage required by this Agreement as the Issuer and the Bondholder may from time to time reasonably require.

SECTION 8.09 **Damage or Condemnation.** *In the event of a taking of the Facility or any portion thereof by eminent domain or by condemnation, damage or destruction affecting all or part of the Facility and the receipt of insurance proceeds or condemnations awards in connection therewith, the Institution shall, in accordance with the provisions of the Master Indenture, repair, restore or replace the Facility or the affected portion thereof or provide for the redemption of the Series 2022A Bonds in accordance with Section 3.03(c) hereof.*

SECTION 8.10 **Taxes and Assessments.** *The Institution shall pay when due without penalty at its own expense, and hold the Issuer and the Bondholder harmless from, all taxes, assessments, water and sewer charges and other impositions, if any, which may be levied or assessed upon the Facility or any part thereof, and upon all ordinary costs of operating, maintaining, renovating, repairing and replacing the Facility and its equipment. The Institution shall file exemption certificates as required by law. The Institution agrees to exhibit to the Issuer and the Bondholder within ten (10) days after written demand by the Issuer or the Bondholder, as applicable, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; provided, however, that the good faith contest of such impositions shall be deemed to be complete compliance with the requirements hereof if the Institution sets aside such reserves as may be required by good accounting practices. Notwithstanding the foregoing, the Issuer or the Bondholder in their respective sole discretion, after notice in writing to the Institution, may pay (such payment shall be made under protest if so requested by the Institution) any such charges, taxes and assessments if, in the reasonable judgment of the Issuer or the Bondholder, the Facility or any part thereof, would be in substantial danger by reason of the Institution's failure to pay such charges, taxes and assessments of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, Lien, charge, fee or penalty that would impair: (i) the interests or security of the Issuer or the Bondholder hereunder; (ii) the ability of the Issuer or the Bondholder to enforce its rights thereunder; (iii) the ability of the Issuer to fulfill the terms of any covenants or perform any of its obligations hereunder or under the Resolution; or (iv) the ability of the Institution to fulfill the terms of the covenants or perform any of its obligations hereunder or under the Resolution. The Institution agrees to reimburse the Issuer or the Bondholder for any such payment, with interest thereon from the date payment was made by the Issuer or the Bondholder at a per annum interest rate equal to the Default Rate.*

SECTION 8.11 **Reporting Requirements.**

(a) The Institution shall comply with all reporting covenants set forth in the Master Indenture.

(b) (i) The Institution shall deliver the management letter of the auditor when it delivers the annual financial statements to the Bondholder.

(ii) The Institution shall deliver a certificate of no-default when it delivers the annual financial statements to the Bondholder.

(iii) The Institution shall deliver to the Bondholder interim financial statements prepared by the Institution's management for each six-month period ending June 30 of each year.

(iv) The Institution shall deliver to the Bondholder, no later than 45 days before each following fiscal year (commencing no later than April 15, 2022) the operating budget of the Institution for such following fiscal year.

(v) The Institution shall promptly deliver to the Bondholder any other information reasonably requested by the Bondholder.

SECTION 8.12 **Arbitrage; Tax Exemption.**

(a) Each of the Institution and the Issuer covenants that it shall take no action, nor shall it approve the Bondholder's taking any action or making any investment or use of the proceeds of the Series 2022A Bonds, which would cause the Series 2022A Bonds to be "arbitrage bonds" as defined in Section 148(a) of the Code, or otherwise cause interest on the Series 2022A Bonds to be included in the gross income of the owners thereof for purposes of federal income taxation. Neither the Institution nor any "related party" (as such term is defined in Section 1.150-1(b) of the Treasury Regulations) shall purchase any Series 2022A Bonds other than for delivery to and cancellation by the Bondholder, unless the Bondholder shall receive an opinion of Bond Counsel to the effect that the purchase by the Institution or by a related person of Series 2022A Bonds will not cause interest on the Series 2022A Bonds to be included in the gross income of the owners of the Series 2022A Bonds for purposes of federal income taxation.

(b) The Institution covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the Institution contained in the Tax Regulatory Agreement then to be untrue and shall comply with all covenants and agreements of the Institution contained in the Tax Regulatory Agreement, unless, in the opinion of Bond Counsel, taking or failing to take such action or failing to comply with its obligations under a Tax Regulatory Agreement would not adversely affect the exclusion of interest on any Series 2022A Bonds from gross income for federal income tax purposes.

(c) In the event that the Issuer is notified in writing that the Series 2022A Bonds or any transaction pertaining thereto is the subject of any Internal Revenue Service or Securities and Exchange Commission investigation, suit or order, it shall promptly give notice thereof to the Institution and the Bondholder. In the event that the Institution is notified in writing that the Series 2022A Bonds or any transaction pertaining thereto is the subject of any Internal Revenue Service or Securities and Exchange Commission investigation, suit or order, it shall promptly give notice thereof to the Issuer and the Bondholder. Upon the occurrence of such an event, the Institution, the Bondholder (at the Institution's sole cost and expense) and the Issuer (at the Institution's sole

cost and expense) shall reasonably cooperate with one another and participate in all aspects of the conduct of the response thereto.

(d) The Institution has undertaken full responsibility for performing rebate calculations that may be required to be made from time to time with respect to the Series 2022A Bonds and they will retain, at the sole cost and expense of the Institution, an arbitrage rebate analyst reasonably acceptable to the Issuer and the Bondholder, to perform such calculations. The Institution shall provide copies of all rebate calculations prepared by such rebate analyst to the Issuer. The Institution and the Issuer shall retain in their respective possessions, so long as required by the Code, copies of all documents, reports and computations made by it in connection with the calculation of earnings and the rebate of all or a portion thereof to the Department of the Treasury of the United States of America, which shall be subject at all reasonable times to the inspection of the Institution or the Bondholder and their respective agents and representatives, any of whom may make copies thereof.

SECTION 8.13 **Tax Exempt Status.** *The Institution covenants that (a) it shall conduct its operations in the manner which will conform to the requirements necessary to qualify the Institution as an organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law and it shall not perform any act or enter into any agreement which shall adversely affect such federal income tax status, and (b) it shall not perform any act, enter into any agreement or use or permit the Facility to be used in any manner, or for any trade or business or other non-exempt use unrelated to the purposes of the Institution, which could adversely affect the exclusion of interest on the Series 2022A Bonds from federal gross income pursuant to Section 103 of the Code.*

SECTION 8.14 **Additional Information and Certifications.** *The Institution, whenever requested by the Issuer or the Bondholder, shall provide and certify or cause to be provided and certified: (i) such information concerning its finances and other related topics and agree whenever requested by Issuer to provide and certify or cause to be provided and certified such information concerning the Institution its finances, operations, employment and affairs necessary to enable the Issuer to make any report required by law, governmental regulation including, without limitation, any reports required by the Act or the Public Authorities Accountability Act of 2005, or the Public Authorities Reform Act of 2009, as amended from time to time, or any of the Financing Documents, or any other reports required by the New York State Authority Budget Office or the Office of the State Comptroller, and submit such information within thirty (30) days following written request from the Issuer; and (ii) such additional information as the Issuer from time to time reasonably considers necessary or desirable to enable it to make any reports or obtain any approvals required by law, governmental regulation or the Resolution in order to issue the Series 2022A Bonds or to effect any of the transactions contemplated hereby or by the Resolution.*

SECTION 8.15 **Federal Reserve Regulations.** *No proceeds of the Series 2022A Bonds shall be used by the Institution, directly or indirectly, to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock. The Institution will not, directly or indirectly, otherwise take or permit to be taken any action which would result in the issuance of the Series 2022A Bonds or the carrying out of any of the other transactions contemplated by this Bond Purchase and Loan Agreement, being violative of*

Regulation U or of Regulation T (12 C.F.R. 220, as amended) or of Regulation X (12 C.F.R. 224, as amended) or any other regulation of the Board of Governors of the Federal Reserve System.

SECTION 8.16 *Changes in Accounting Reporting Methods and/or Financial Statements.* *The Institution shall provide to the Issuer and the Bondholder written notice of any change in material policies, rules or procedures related to accounting reporting methods or change in the entries (or financial reporting thereunder) contained on any of the Institution's financing statements, other than simple numerical balance entry changes for period to period from business operations. The Institution shall provide such notice to the Issuer and the Bondholder within ten (10) Business Days after such change has been made. Upon such notice, the Bondholder shall have the right, in its reasonable discretion, to revise the covenants and security under this Bond Purchase and Loan Agreement to reflect any such changes. The purpose of this Section is to allow the Bondholder, to the extent possible, to maintain substantially equivalent financial covenants and security after any change by the Institution of its policies, rules or procedures related to accounting reporting methods and/or financial statements.*

SECTION 8.17 *ERISA.* *Each defined benefit pension plan as to which the Institution may have any liability shall comply in all material respects with all applicable provisions of ERISA, including minimum funding requirements, and (i) no Prohibited Transaction (as defined under ERISA) shall occur with respect to any such plan, (ii) no Reportable Event (as defined under Section 4043 of ERISA) shall occur with respect to any such plan which would cause the Pension Benefit Guaranty Corporation to institute proceedings under Section 4042 of ERISA, (iii) the Institution shall not withdraw from any such plan or initiate steps to do so, and (iv) no steps shall be taken by the Pension Benefit Guaranty Corporation to terminate any such plan involuntarily.*

SECTION 8.18 *Filing of All Tax Returns; Payment of Taxes and Impositions.* *The Institution shall pay or cause to be paid to the public officers charged with the collection thereof, promptly as the same become due, all taxes (or contributions or payments in lieu thereof), including but not limited to income, profits or property taxes, which may now or hereafter be imposed by the United States of America, any state or municipality or any political subdivision or subdivisions thereof, and all assessments for public improvements or other assessments, levies, license fees, charges for publicly supplied water or sewer services, excises, franchises, imposts and charges, general and special, ordinary and extraordinary (including interest, penalties and all costs resulting from delayed payment of any of the foregoing) of whatever name, nature and kind and whether or not now within the contemplation of the parties, hereto, which are now or may hereafter be levied, assessed, charged or imposed or which are or may become a lien upon the revenues of the Institution, the Institution's facilities, the use or occupation thereof or upon the Institution or the Issuer, or upon any franchises, businesses, transactions, income, earnings and receipts (gross, net or otherwise) of the Issuer in connection with this Agreement for payment or collection of which the Issuer otherwise would be liable or accountable under any lawful authority whatever; provided, however, that the Institution shall not be required to pay or discharge or cause to be paid or discharged any tax, assessment, lien or other matter hereunder so long as the validity thereof is being contested by the Institution in good faith and by appropriate legal proceedings diligently pursued and neither the Institution's*

facilities nor any rent or income therefrom would be in any immediate danger of being sold, forfeited, attached or lost. The Institution will, upon request, provide the Issuer and the Bondholder with copies of any tax returns and receipts for payments of taxes.

SECTION 8.19 *Incorporation of Additional Covenants.* *In the event that the Institution shall, directly or indirectly, enter into or otherwise consent to any Bank Agreement or any amendment thereto which such Bank Agreement or amendment provides such Person with any covenant, the Institution shall provide the Bondholder with a copy of each such Bank Agreement or amendment and the covenant (unless the Bondholder declines the effect of such covenant) shall automatically be deemed to be incorporated into this Agreement, subject to the receipt of a Favorable Opinion of Bond Counsel, and the Bondholder shall have the benefits of such covenant as if specifically set forth herein and such covenant shall be for the benefit of the Bondholder and shall be governed by the rights and remedies in this Agreement. Upon the request of the Bondholder, the Institution shall promptly enter into an amendment to this Agreement to include such covenant(s); provided that the Bondholder shall have and maintain the benefit of such covenant(s) even if the Institution fails to provide such amendment.*

SECTION 8.20 *Access to Facility.* *The Institution shall permit access to the Facility so the Bondholder and its agents may complete appraisals of the Facility.*

SECTION 8.21 *Right of Bondholder to Pay Taxes, Insurance Premiums and Other Charges.* *If the Institution fails (i) to pay any tax, together with any fine, penalty, interest or cost which may have been added thereto or become due or been imposed by operation of law for nonpayment thereof, assessment or other governmental charge required to be paid by Section 8.10 hereof, (ii) to maintain any insurance required to be maintained by Section 8.07 hereof, (iii) to pay any amount required to be paid by any law or ordinance relating to the use or occupancy of the Facility or by any requirement, order or notice of violation thereof issued by any governmental person, (iv) to pay any mechanic's Lien which is recorded or filed against the Facility or any part thereof (unless such Lien is a Permitted Lien), or (v) to pay any other amount or perform any act hereunder required to be paid or performed by the Institution, the Issuer, the Bondholder or the Master Trustee may pay or cause to be paid such tax, assessment or other governmental charge or the premium for such insurance or any such other payment or may perform any such act. No such payment shall be made or act performed by the Issuer, the Bondholder or the Master Trustee until at least ten (10) days shall have elapsed since written notice shall have been given by the Bondholder or the Master Trustee to the Issuer, with a copy of such notice being given simultaneously to the Institution (or by the Issuer to the Institution and the Master Trustee), and in the case of any tax, assessment or governmental charge or the amounts specified in clauses (iii), (iv) and (v) hereof, no such payment shall be made in any event if the Institution is contesting the same in good faith and diligently prosecuting the same unless an Event of Default hereunder shall have occurred and be continuing. No such payment by the Issuer, the Bondholder or the Master Trustee shall affect or impair any rights of the Issuer or the Bondholder hereunder arising in consequence of such failure by the Institution. The Institution shall, on demand, reimburse the Issuer, the Master Trustee or the Bondholder for any amount so paid or for expenses or costs incurred in the performance of any such act by the Issuer, the Master Trustee or the Bondholder pursuant to this Section (which shall include all reasonable legal fees and disbursements), together with interest thereon from the date of*

payment of such amount, expense or cost by the Issuer, the Master Trustee or the Bondholder at the per annum rate of ten percent (10%).

SECTION 8.22 *Compliance with Orders, Ordinances, Etc.*

(a) The Institution throughout the term of this Bond Purchase and Loan Agreement agrees that it will promptly comply, and take all reasonable steps to cause any tenant or occupant of the Facility to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof or to the operation thereof, or to any use, manner of use or condition of the Facility or any part thereof, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction of the Facility or any part thereof, or to the operation thereof, or to any use, manner of use or condition of the Facility or any part thereof and of all companies or associations insuring the premises.

(b) The Institution shall keep or cause the Facility to be kept free of Hazardous Substances, except in compliance with applicable law. Without limiting the foregoing, the Institution shall not cause or permit the Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, state and local laws, regulations and permits, 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 contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Facility or onto any other property. The Institution shall comply with and shall take all reasonable steps to ensure compliance by all contractors, subcontractors, tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and shall take all reasonable steps to ensure that all contractors, subcontractors, tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Institution shall (a) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Facility (i) in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations, and policies, (ii) to the reasonable satisfaction of the Bondholder and the Issuer, and (iii) in accordance with the orders and directives of all federal, state, and local governmental authorities; and (b) defend, indemnify, and hold harmless the Bondholder and the Issuer, their employees, agents, officers, and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (i) the presence, disposal, release, or threatened release of any Hazardous Substances which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise, (ii) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Substances, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Bondholder and the Issuer, which are based upon or in any way related to such Hazardous Substances, including, without limitation, reasonable attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses. The provisions of this Section shall be in addition to any and all

other obligations and liabilities the Institution may have to the Bondholder at common law, and shall survive the transactions contemplated herein.

(c) Notwithstanding the provisions of subsections (a) and (b) hereof, the Institution may in good faith contest the validity or the applicability of any requirement of the nature referred to in such subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the Institution may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Issuer or the Bondholder shall notify the Institution that by failure to comply with such requirement or requirements, the Facility or any part thereof may be subject to immediate loss, penalty or forfeiture, in which event the Institution shall promptly take such action with respect thereto or provide such security as shall be reasonably satisfactory to the Bondholder and to the Issuer. If at any time the then existing use or occupancy of the Facility shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the Institution shall use all reasonable efforts to not cause or permit such use or occupancy to be discontinued without the prior written consent of the Issuer and the Bondholder.

(d) Notwithstanding the provisions of this Section, if, because of a breach or violation of the provisions of subsections (a) or (b) hereof (without giving effect to subsection (c) hereof), either the Issuer, the Bondholder, or any of their respective members, directors, officers, agents, or employees, shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Issuer or the Bondholder, the Institution shall immediately provide legal protection and/or pay amounts necessary in the reasonable opinion of the Issuer or the Bondholder, as the case may be, and their respective members, directors, officers, agents and employees deem reasonable sufficient, to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of this Section, the Bondholder and the Issuer retain the right to defend themselves in any action or actions which are based upon or in any way related to such Hazardous Substances. In any such defense of themselves, the Bondholder and the Issuer shall each select their own counsel, and any and all reasonable and actual costs of such defense, including, without limitation, reasonable and actual attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable and actual litigation expenses, shall be paid by the Institution.

ARTICLE 9.

NEGATIVE COVENANTS OF THE INSTITUTION

The Institution covenants and agrees that so long as any Series 2022A Bonds are Outstanding it will not, and will not permit any subsidiary, without the prior written consent of the Bondholder, to:

SECTION 9.01 **Negative Pledge.** *Except as permitted by the Master Indenture, create or suffer to be created or exist on the Facility or any other of the Institution's real Property any Lien.*

SECTION 9.02 **Additional Indebtedness.** *Except as permitted by the Master Indenture, incur, create, assume or permit to exist any Indebtedness.*

SECTION 9.03 **Mergers, Consolidations, Dissolutions or Sale of Assets.** *Except as permitted by the Master Indenture, permit any acquisition, merger, consolidation, change in*

ownership, sale of any material assets (other than the sale of obsolete or worn-out equipment sold in the ordinary course of business) or dissolution of or by or involving the Institution.

SECTION 9.04 **Disposition of Assets.** *Except as permitted by the Master Indenture, the Institution shall not liquidate or sell, lease or transfer or otherwise dispose of its assets, whether now owned or hereinafter acquired.*

SECTION 9.05 **Investments.** *Except as permitted by the Master Indenture, make or commit to make any advance, loan, extension of credit or capital contribution to any Person, or purchase of any stock, bonds, notes, debentures or other securities of, or make any other investment in, any Person or in real property.*

SECTION 9.06 **Depository Relationship.** *Subject to the quality and cost of such services being commercially competitive, fail to establish (after reasonable transition time) and maintain its core banking services (including checking, savings and purchase cards) with the Bondholder or BankUnited, N.A.; provided, however, the Institution shall have the ability to use a local banking institution for payroll and/or petty cash needs.*

ARTICLE 10.

FINANCIAL COVENANTS OF INSTITUTION

The Institution covenants and agrees that so long as any Series 2022A Bonds are Outstanding it will:

SECTION 10.01 **Long Term Debt Service Coverage Ratio.** *Comply with the Long Term Debt Service Coverage Ratio covenant set forth in the Master Trust Indenture.*

SECTION 10.02 **Days' Cash on Hand.** *Comply with the minimum Days' Cash on Hand covenant set forth in the Master Trust Indenture.*

ARTICLE 11.

EVENTS OF DEFAULT AND REMEDIES

SECTION 11.01 **Events of Default.** *The following shall be Events of Default under this Bond Purchase and Loan Agreement:*

(a) The principal or prepayment price of or interest on the Series 2022A Bonds or any amounts due under this Bond Purchase and Loan Agreement shall not be paid when due or payable;

(b) any representation or warranty of the Institution herein or in the other Financing Documents shall prove to have been false or misleading in any material respect and the same shall have a materially adverse effect upon the Institution, the Facility, or the exclusion of interest on the Series 2022A Bonds from gross income for federal income tax purposes;

(c) the failure by the Institution to observe and perform any covenant, condition or agreement hereunder on its part to be observed or performed (except obligations referred to in 11.01(a) or (b) for a period of thirty (30) days after receiving written notice, specifying such failure and requesting that it be remedied, given to the Institution by the Issuer or the Bondholder;

provided, however, that if such default cannot be cured within thirty (30) days but the Institution is proceeding diligently and in good faith to cure such default, then the Institution shall be permitted an additional ninety (90) days within which to remedy the default;

(d) the dissolution or liquidation of the Institution or any Obligated Group Member; or the failure by the Institution or any Obligated Group Member to release, stay, discharge, lift or bond within ninety (90) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Institution or any Obligated Group Member generally to pay its debts as they become due; or an assignment by the Institution or any Obligated Group Member for the benefit of creditors; the commencement by the Institution or any Obligated Group Member (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Institution or any Obligated Group Member (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the Institution or any Obligated Group Member as the debtor in such case or proceeding, or such case or proceeding is consented to by the Institution or any Obligated Group Member or remains undismissed for ninety (90) days, or the Institution or any Obligated Group Member consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Institution or any Obligated Group Member for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term “dissolution or liquidation of the Institution” as used in this subsection shall not be construed to include any transaction permitted by Section 9.03 hereof);

(e) the Institution or any Obligated Group Member shall default in the payment of any other Indebtedness (other than the Series 2022A Obligation), whether such Indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired, or an event of default as defined in any mortgage, indenture or instrument, under which there may be issued, or by which there may be secured or evidenced, any Indebtedness, whether such Indebtedness now exists or shall hereafter be created, shall occur, which default in payment or event of default shall be in respect of (a) any Indebtedness secured by an Obligation issued pursuant to the Master Indenture or (b) any Indebtedness in an aggregate principal amount of at least four percent (4%) of the Institution’s Operating Revenues at the end of the most recent Fiscal Year, where the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holders thereof (or a trustee on behalf of such holders) to cause such Indebtedness to become due prior to its stated maturity; provided, however that such default shall not constitute an Event of Default within the meaning of this paragraph if within the time allowed for service of a responsive pleading in any proceeding to enforce payment of such Indebtedness under the laws of New York or other laws governing such proceeding (i) the Institution or such Obligated Group Member in good faith commences proceedings to contest the existence or payment of such Indebtedness, (ii) sufficient moneys are escrowed with a bank or trust corporation for the payment of such Indebtedness, and (iii) the Institution delivers an Officer’s Certificate to the Issuer and the Bondholder certifying that the Institution has complied with clauses (i) and (ii);

(f) the invalidity, illegality or unenforceability of any of the Financing Documents, provided the same does not permit the Issuer or the Bondholder, as the case may be, to recognize the material benefits of the respective documents;

(g) a breach of any covenant or representation contained in Section 8.05 hereof with respect to environmental matters;

(h) the occurrence and continuation of an Event of Default under the Master Indenture or any MTI Obligation issued thereunder; or

(i) the occurrence and continuation of an event of default under (i) any Financing Documents (ii) the Series 2013 Bonds or the documents with respect to such Series 2013 Bonds (including the Indenture of Trust and the Loan Agreement securing such Series 2013 Bonds) or (iii) the Line of Credit Note.

SECTION 11.02 **Remedies on Default.**

(a) Whenever any Event of Default shall have occurred, the Bondholder may take, to the extent permitted by law, any one or more of the following remedial steps: (i) terminate its obligation to disburse Series 2022A Bond Proceeds and any other monies, (ii) declare the outstanding principal of and interest on the Series 2022A Bonds and all amounts payable to the Bondholder hereunder to be forthwith due and payable, whereupon the same shall become forthwith due and payable without protest, presentment, notice or demand, all of which are expressly waived by the Issuer and the Institution, or (iii) any other remedy available at law or in equity.

(b) Whenever any Event of Default with respect to obligations owed by the Institution to the Issuer hereunder shall have occurred, including, without limitation, those payment obligations as set forth in Section 8.01 hereof, the Issuer may maintain an action against the Institution hereunder to recover any sums payable by the Institution or to require its compliance with the terms hereof for the benefit of the Issuer.

SECTION 11.03 **Remedies Cumulative.** *No failure or delay on the part of the Bondholder or the Issuer to exercise any of their respective rights and no course of dealing with respect to any such right shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any other remedies provided by law.*

SECTION 11.04 **Notice of Events of Default.** *The Bondholder shall give written notice to the Issuer of its declaration of any Event of Default hereunder within two (2) Business Days after the declaration thereof. The Issuer shall give written notice to the Bondholder of its declaration of any Event of Default hereunder within two (2) Business Days after the declaration thereof.*

ARTICLE 12.
MISCELLANEOUS

SECTION 12.01 **Limitation on Agreements.** *The Institution shall not enter into any contract or agreement or perform any act which may materially adversely affect any of the rights of the Issuer hereunder or of the Holders of any Series 2022A Bonds.*

SECTION 12.02 **Institution to Pay Expenses.** *The Institution agrees to pay (i) the reasonable fees and expenses of the Bondholder, the Issuer and their respective counsel and Bond Counsel and all other costs and expenses incidental to the financing hereunder, the issuance of the Series 2022A Bonds and the costs of producing the documents referred to herein; (ii) all taxes, if any, upon all documents and transactions pursuant to, or contemplated by, this Bond Purchase and Loan Agreement; (iii) all expenses of all filings and recordings pursuant to, or contemplated by, this Bond Purchase and Loan Agreement; and (iv) all costs of collection (including reasonable counsel fees) upon the occurrence of an Event of Default under the Financing Documents.*

SECTION 12.03 **Indemnity by Institution.** *(a) To the extent permitted by law, the Institution hereby releases and agrees to hold harmless and indemnify the Issuer and the Bondholder and their respective members, partners, officers, officials, counsel, consultants, agents and employees (collectively, the “Indemnified Parties”) from and against all, and agrees that the Indemnified Parties shall not be liable for any, (i) liabilities, suits, actions, claims, demands, damages, losses, expenses and costs of every kind and nature resulting from any action taken in accordance with, or permitted by, this Bond Purchase and Loan Agreement, any Financing Document or the Resolution, or arising therefrom or incurred by reason therefor or arising from or incurred by reason of the financing or refinancing of the Facility, or (ii) loss or damage to property or any injury to or death of any or all persons that may be occasioned by any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the presence on, in or about the premises of the Facility of any person; including in each case, without limiting the generality of the foregoing, causes of action and reasonable attorneys’ fees and other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing and including any loss, damage or liability which may arise as a result of the negligence (but excluding any loss, damage or liability which may arise as a result of the gross negligence, willful misconduct or intentional misrepresentation) of any party so indemnified by the Institution, and to deliver at the request of the Issuer or the Bondholder any further instrument or instruments in form satisfactory to the Bondholder or such Authorized Officer of the Issuer as in the reasonable judgment of the Bondholder or such Authorized Officer of the Issuer may be necessary to effectuate more fully the provisions of this paragraph (a); provided, however, that the Issuer or the Bondholder, as applicable, and the Institution shall each if obtainable provide a waiver of rights of subrogation against the other in any insurance coverage obtained relating to the Facility; and, provided further, that the parties indemnified pursuant to this paragraph shall cooperate with the Institution in asserting any defense provided for pursuant to this sentence. The indemnity provided by this paragraph (a) shall be in addition to and not limited by any of the provisions of Section 12.04 hereof; provided, however, to the extent the Issuer or the Bondholder, as applicable, is fully indemnified for all liabilities, suits, actions, claims, demands, damages, losses, expenses and costs, pursuant to such Sections, the Issuer or the Bondholder, as applicable, shall not be entitled to additional indemnification pursuant to this paragraph (a).*

(b) In case any action shall be brought against one or more of the Indemnified Parties in respect of which indemnity may be sought against the Institution, the Indemnified Parties shall promptly notify the Institution in writing, and the Institution shall promptly assume the defense thereof, including the employment of counsel and the payment of all expenses; *provided, however,* that the Institution shall have the right to negotiate and consent to settlement but only so long as

such settlement imposes no obligation on the Issuer or the Bondholder; and, *provided, further*, that the Indemnified Parties shall cooperate with the Institution in asserting such defense and in reaching such settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Indemnified Parties unless the employment of such counsel has been specifically authorized by the Institution or if the Institution has failed to promptly and adequately assume the defense of such claim.

SECTION 12.04 **Bondholder Indemnification.** *In addition to the indemnity provided to the Bondholder by any other provision of this Agreement, the Institution hereby agrees to indemnify and hold harmless the Bondholder from and against any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Bondholder may incur (i) by reason of any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in any materials furnished by the Institution or any other Person (other than the Bondholder) in connection with the making of this Agreement or the sale of the Bonds, or the omission or alleged omission to state therein a material fact necessary to make such statements, in light of the circumstances under which they are or were made, not misleading, or (ii) by reason of or in connection with the execution and delivery or transfer of, or payment or failure to pay under, this Agreement, except for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent determined by a nonappealable judgment of a court of competent jurisdiction to have been caused by the gross negligence or willful misconduct of the Bondholder. Further, to the extent permitted by law, the Institution hereby agrees to pay, and to protect, indemnify, and save harmless the Bondholder and its officers, directors, shareholders, employees, agents and servants from and against, any and all losses, liabilities (including liabilities for penalties), actions, suits, judgments, demands, damages, costs or expenses (including, without limitation, reasonable attorneys' fees and expenses) of any nature arising from or relating to the offering, issuance, sale or delivery of the Bonds (or any interest in any fund into which the Bonds are placed), except for any such loss, liability, action, suit, judgment, demand, damage, cost or expense to the extent, and only to the extent, resulting from the Bondholder's gross negligence or willful misconduct or from any information provided by the Bondholder and contained in or incorporated by reference in any materials furnished by the Bondholder in connection with the making of this Agreement or the sale of the Bonds. Nothing in this Section 12.04 is intended to limit the Institution's payment obligations set forth in this Agreement.*

SECTION 12.05 **Filing.**

(a) The Issuer and the Institution hereby irrevocably appoint the Bondholder their agent and attorney-in-fact (which appointment shall be deemed to be an agency coupled with an interest), to execute and file on their behalf UCC financing statements and amendments thereto to continue perfecting the security interests held by the Bondholder.

(b) The Bondholder shall cause to be filed all security instruments, including without limitation continuation statements under the Uniform Commercial Code of the State, in such manner and in such places as may be required by law to protect and maintain in force all such security interests held by it.

SECTION 12.06 **Notices.** *All notices, requests, demands or other communications shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed as follows or to such other addresses as any party may specify in writing to the others:*

To the Issuer:

Westchester County Local Development Corporation
Michaelian Office Building, Room 903
148 Martine Avenue
White Plains, New York 10601
Attention: Board Chair

with a copy to:

Jones Law LLP

670 White Plains Road

Scarsdale, New York 10583
Attention: Stephen Jones, Esq.

with a copy to:

BurgherGray LLP

1350 Broadway, Suite 1510

New York, New York 10018

Attention: Robert Drillings, Esq.

To the Institution:

Kendal on Hudson
1010 Kendal Way

Sleepy Hollow, New York 10591

Attention: Chief Financial Officer

with a copy to:

Hawkins Delafield & Wood LLP
One Gateway Center

Newark, New Jersey 07102
Attention: Charles Toto, Esq.

To the Bondholder:

Bridge Funding Group, Inc.

c/o BankUnited, N.A.
623 Fifth Avenue, 12th Floor
New York, New York 10022
Attention: Michele A. Palmo, Senior Vice President
Brian Charlebois, Senior Vice President

with a copy to:

Duane Morris LLP
1540 Broadway
New York, New York 10036
Attention: Nathan Abramowitz, Esq.

Such notices shall be deemed to have been given upon receipt or upon the refusal of the party being notified to accept delivery of such notice. Failure to provide a courtesy copy of the notice, as set out above, shall not impair the effectiveness of the Institution's notice.

SECTION 12.07 ***Amendment.*** *This Bond Purchase and Loan Agreement may be amended by the parties hereto except that the Issuer need not be a party to any amendments of the following Sections hereof: Sections 10.01 or 10.02. Each amendment hereof shall be made by an instrument in writing signed by an Authorized Officer of the Institution, the Issuer (as applicable) and Bondholder; and, if requested by the Issuer or the Bondholder, must be accompanied by an opinion of Bond Counsel that such amendment would not adversely affect the exclusion of interest on any Series 2022A Bond from gross income for purposes of federal income taxation, which opinion shall be provided at the sole cost and expense of the Institution.*

SECTION 12.08 ***Termination.*** *This Bond Purchase and Loan Agreement shall remain in full force and effect until no Series 2022A Bonds are Outstanding and all other payments, expenses and fees payable hereunder by the Institution shall have been paid or provision for the payment thereof have been made to the satisfaction of the Issuer; provided, however, that the obligation of the Institution to indemnify the Issuer and the Bondholder under Section 12.03 and Section 12.04 hereof shall survive termination hereof. Upon termination hereof the Issuer shall promptly deliver such documents as may be reasonably requested by the Institution to evidence such termination and the discharge of the Institution's duties hereunder.*

SECTION 12.09 ***Binding Effect.*** *This Bond Purchase and Loan Agreement shall be binding upon and inure to the benefit of the Issuer, the Bondholder, the Institution and their respective successors and assigns.*

This Bond Purchase and Loan Agreement is a valid, binding and legal obligation of the Institution enforceable against the Institution in accordance with its terms; *provided, however*, that such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting or relating to the rights of creditors generally and general principles of equity.

SECTION 12.10 *Execution of Counterparts.* *This Bond Purchase and Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.*

SECTION 12.11 *Applicable Law.* *This Bond Purchase and Loan Agreement shall be governed by and construed in accordance with the laws of the State without regard or reference to its conflict of laws or principles of equity.*

SECTION 12.12 *Disclaimer of Personal Liability.* *No recourse shall be had against or liability incurred hereunder by any member, director, trustee, partner, officer, official, counsel, consultant, employee or agent of the Issuer, any person executing this Bond Purchase and Loan Agreement for any covenants and provisions hereof or for any claims based hereon, the Bondholder or the Institution, provided that with respect to such personnel of the Institution, no waiver of recourse shall apply with respect to fraud, malfeasance, intentional misconduct or criminal acts. In no event shall the Bondholder have any liability to the Issuer or the Institution for monetary damages with respect to reporting obligations under this Bond Purchase and Loan Agreement.*

SECTION 12.13 *Severability.* *If any one or more of the covenants, stipulations, promises, obligations and agreements provided herein or in the Series 2022A Bonds on the part of the Issuer, the Bondholder or the Institution to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, obligation or obligations, agreement or agreements shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, obligations and agreements contained herein and shall in no way affect the validity of the other provisions hereof or of the Series 2022A Bonds.*

SECTION 12.14 *Further Assurances.* *The Institution, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as are necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the Issuer's or the Bondholder's rights hereunder, and the interest of either of them in any other money, securities, funds and security interests created hereby or by the Resolution or that by any of the same are pledged, assigned or granted, or intended so to be, or which the Institution may hereafter become bound to pledge, assign or grant to the Issuer pursuant hereto.*

SECTION 12.15 *Table of Contents and Section Headings Not Controlling.* *The Table of Contents and the headings of the several sections in this Bond Purchase and Loan Agreement have been prepared for the convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Bond Purchase and Loan Agreement.*

SECTION 12.16 **Rights of Bondholder.** *All rights of the Bondholder in this Bond Purchase and Loan Agreement, and in the other Financing Documents may be exercised by the holders of a majority in interest of the Series 2022A Bonds; provided, however, that nothing herein contained shall permit, or be construed as permitting, (1) a change in the times, amounts or currency of payment of the principal of, redemption premium, if any, or interest on any Outstanding Series 2022A Bonds, a change in the terms of redemption or maturity of the principal of or the interest on any Outstanding Series 2022A Bonds, or a reduction in the principal amount of or the redemption price of any Outstanding Series 2022A Bond or the rate of interest thereon, or any extension of the time of payment thereof, without the prior written consent of the Owners of such Series 2022A Bonds, (2) a preference or priority of any Series 2022A Bond over any other Series 2022A Bond, (3) a reduction in the aggregate principal amount of Series 2022A Bonds required for consent to an amendment to this Bond Purchase and Loan Agreement, or (4) a modification, amendment or deletion with respect to any of the terms set forth in this Section 12.16, without, in the case of items (2) through and including (4) of this Section 12.16, the prior written consent of one hundred percent (100%) of the Owners of the Outstanding Series 2022A Bonds.*

SECTION 12.17 **USA Patriot Act.** *The Bondholder hereby notifies the Institution that pursuant to the requirements of the USA Patriot Act it is required to obtain, verify and record information that identifies the Institution, which information includes the name and address of the Institution and other information that will allow the Bondholder to identify the Institution in accordance with the USA Patriot Act. At least two (2) Business Days prior to the Closing Date, the Institution shall provide the Bondholder with such information, documents or other evidence of identity as the Bondholder may, in its sole discretion, require.*

SECTION 12.18 **Actions of the Issuer.** *Whenever any action, direction or decision may be taken, made or given by the Issuer, it may be done by any Authorized Officer of the Issuer authorized for such purpose.*

SECTION 12.19 **Effective Date.** *This Bond Purchase and Loan Agreement shall be effective as of the date on which Series 2022A Bonds are first issued and delivered to the Bondholder.*

SECTION 12.20 **Costs, Expenses and Taxes.** *The Institution agrees to pay on demand all costs and expenses (including, without limitation, reasonable legal fees) of the Issuer and the Bondholder in connection with the preparation, negotiation, execution and delivery of this Agreement, the other Financing Documents and any other documents which may be delivered in connection with this Agreement, and any amendments or modifications of any of the foregoing, or in connection with the examination, review or administration of any of the foregoing, as well as the costs and expenses (including, without limitation, the reasonable fees and expenses of legal counsel) incurred by the Issuer and the Bondholder in connection with interpreting, administering, preserving, enforcing or exercising any rights or remedies under this Agreement, any other Financing Documents and all other instruments and documents to be delivered hereunder, all whether or not legal action is instituted. In addition, the Institution shall be obligated to pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and such other documents, and agrees to save the Issuer and the Bondholder harmless from and against any*

and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. The Institution further agrees to pay, and to save the Issuer and the Bondholder harmless from, any and all brokers' fees, investment bankers' fees and the like which may be asserted in connection with any of the transactions contemplated by this Agreement. Any fees, expenses, other charges or other payments which the Issuer or the Bondholder are entitled to receive from the Institution hereunder shall bear interest until paid at a fluctuating rate per annum which shall at all times be equal to the lesser of (i) the Default Rate or (ii) the maximum rate permitted by then applicable law.

SECTION 12.21 *No Waiver; Remedies.* *No failure on the part of the Issuer or the Bondholder to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.*

SECTION 12.22 *Successors and Assigns.*

(a) This Agreement shall (i) be binding upon the Institution, its successors and assigns, and (ii) inure to the benefit of and be enforceable by the Issuer and the Bondholder and their respective successors, transferees and assigns; provided, that the Institution may not assign all or any part of this Agreement without the prior written consent of the Issuer and the Bondholder.

(b) The Institution acknowledges and agrees that the Bondholder may at any time, and from time to time, (i) sell participating interests in this Agreement and the Bonds, and the Bondholder's rights hereunder to other financial institutions (so long as such financial institutions are Qualified Institutional Buyers), and (ii) sell, transfer, or assign this Agreement and the Bondholder's rights hereunder and under the Bonds, to any one or more additional banks or financial institutions (so long as such banks or financial institutions are Qualified Institutional Buyers), subject to the Institution's written consent, which consent shall not be unreasonably withheld; provided that, no consent under this clause (b) shall be required if an Event of Default exists at the time of such sale, transfer or assignment.

(c) The Bondholder may at any time assign all or any portion of its rights under this Agreement and the Bonds to a bank that is a member of the Federal Reserve. No such assignment shall release the transferor bank from its obligations hereunder.

SECTION 12.23 *Acquiescence Not to Constitute Waiver of Bondholder's Requirements.* *Each and every covenant and condition for the benefit of the Bondholder contained in this Agreement may be waived by the Bondholder.*

SECTION 12.24 *Consequential Damages.* *The Institution shall not assert, and waives, any claim against the Bondholder, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the transactions, the Financing Documents or the use of the proceeds thereof.*

SECTION 12.25 *Exhibits.* *Exhibits A, B, C and D are incorporated herein and made a part hereof.*

SECTION 12.26 **WAIVER OF JURY TRIAL.**

(a) THE INSTITUTION AND THE BONDHOLDER HEREBY WAIVE, TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A JURY TRIAL IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS BOND PURCHASE AND LOAN AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH OF THE INSTITUTION AND THE BONDHOLDER (1) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (2) ACKNOWLEDGES THAT IT AND THE OTHER PARTY HERETO HAVE BEEN INDUCED TO ENTER INTO THIS BOND PURCHASE AND LOAN AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(b) The Institution irrevocably (i) agrees that any suit, action or other legal proceeding arising out of or relating to this Bond Purchase and Loan Agreement or such other documents which may be delivered in connection with this Bond Purchase and Loan Agreement may be brought in a court of record in the State of New York or in the Courts of the United States of America located in the State of New York, (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding, and (iii) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum. The Institution irrevocably consents to the service of any and all process of any such suit, action or proceeding by mailing of copies of such process to the Institution at its address provided in Section 12.06 hereof. The Institution agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment after all appeal rights have been exhausted or in any other manner provided by law. All mailings under this Section 12.26 shall be by certified mail, return receipt requested.

(c) Nothing in this Section 12.26 shall affect the right of the Bondholder to serve legal process in any other manner permitted by law or affect the right of the Bondholder to bring any suit, action or proceeding against the Institution or its property in the courts of any other jurisdictions.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties have caused this Bond Purchase and Loan Agreement to be duly executed as of the day and year first above written.

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

By: _____

Name: Joan McDonald

Title: Chair

BRIDGE FUNDING GROUP, INC., as Bondholder

By: _____

Name: Michele A. Palmo

Title: Authorized Officer

KENDAL ON HUDSON

By: _____

Name:

Title:

[SIGNATURE PAGE TO BOND PURCHASE AND LOAN AGREEMENT]

EXHIBIT A

[FORM OF SERIES 2022A BOND]

ATTENTION:

THIS SERIES 2022A BOND HAS NOT BEEN REGISTERED

UNDER THE SECURITIES ACT OF 1933 AND

MAY NOT BE SOLD OR TRANSFERRED

WITHOUT REGISTRATION UNDER SAID ACT

OR EXEMPTION THEREFROM

ONLY QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) AS DEFINED UNDER RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933 AS AMENDED, MAY PURCHASE THE BONDS.

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2022A

(KENDAL ON HUDSON PROJECT)

Bond Date: [February __], 2022
Maturity Date: [_____, 2042]
Registered Owner: Bridge Funding Group, Inc.
Principal Amount: \$[16,000,000]
Interest Rate: [_____] %
Bond Number: R-1
CUSIP: N/A

The WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION, a body corporate and politic constituting a public benefit corporation, organized and existing under and by virtue of the laws of the State of New York (hereinafter called the “**Issuer**”), acknowledges itself indebted and for value received hereby promises to pay, but only from the sources mentioned herein, to BRIDGE FUNDING GROUP, INC., a [corporation duly organized and validly existing under the laws of the State of Delaware] (the “**Bondholder**” or “**Owner**”), or registered assigns, the Principal Amount stated above on the Maturity Date stated above, upon the presentation and surrender hereof at the principal business office of the Issuer at Michaelian Office Building, Room

903, 148 Martine Avenue, White Plains, New York 10601, and to pay interest on such Principal Amount from the Bond Date stated above at the Interest Rate stated above per annum until the Principal Amount is paid. Interest on the Series 2022A Bonds shall be payable monthly on each Debt Service Payment Date commencing on [_____, 2022]. Principal on the Series 2022A Bonds shall be payable monthly on each Debt Service Payment Date commencing on [_____, 2022] and continuing each month thereafter until the Maturity Date or the date on which the Series 2022A Bonds have been paid in full (each, a “**Debt Service Payment Date**”). Principal and interest shall be payable at the office of the Bondholder at [623 Fifth Avenue, 12th Floor, New York, New York 10022] or at such other address as Bondholder may designate in writing to the Institution and the Issuer. All outstanding principal and interest on the Series 2022A Bonds will be due and payable on [_____, 2042].

The Bonds shall bear interest at the per annum rate set forth above from the Closing Date up to and including the Maturity Date or the date on which the Series 2022A Bonds have been paid in full. Interest shall be computed on the basis of a 360-day year for the actual number of days elapsed on the outstanding principal amount of the Series 2022A Bonds determined at the close of each day.

Interest and principal payments shall be made as provided in Sections 3.01 and 8.01 of the Bond Purchase and Loan Agreement. If such provision shall become inapplicable or unavailable, then interest and principal shall be payable by check mailed to the Bondholder at its corporate office at [623 Fifth Avenue, 12th Floor, New York, New York 10022] or at such other address as Bondholder may designate in writing to the Institution and the Issuer, as of the date (whether or not a Business Day) ten (10) days next preceding such Debt Service Payment Date (each, a “**Record Date**”), or, at the option of the Bondholder, by wire transfer to the wire transfer address, within the continental United States specified by the Bondholder in a written request of the Bondholder received on or before the Record Date, which written request may apply to multiple Debt Service Payment Dates.

Unless otherwise defined herein, all terms herein shall have the same meanings, respectively, as such terms are given in the Bond Purchase and Loan Agreement.

Definitions:

“Debt Service Payment” means, with respect to any Debt Service Payment Date, (i) the interest payable on such Debt Service Payment Date on all Bonds then Outstanding, plus (ii) the principal or redemption price, if any, payable on such Debt Service Payment Date on all such Bonds.

“Debt Service Payment Date” means [(i) with respect to interest payments, the first [calendar day] of each month, commencing on [____], 2022, and (ii) with respect to principal payments, the first [calendar day] of each month, commencing on [____], 2022] and continuing thereafter until the Maturity Date or until the Series 2022A Bonds have been paid in full.

“Default Rate” means [____] %.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Institution files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Bondholder or any former Bondholder notifies the Institution that it has received a written unqualified legal opinion (which opinion shall not be a reasoned opinion and shall be subject to only customary assumptions and exclusions) by an attorney or firm of attorneys of nationally recognized standing on the subject of tax-exempt municipal finance and that is reasonably acceptable to the Institution and the Bondholder to the effect that an Event of Taxability has occurred unless, within one hundred eighty (180) days after receipt by the Institution of such notification from the Bondholder or any former Bondholder, the Institution shall deliver to the Bondholder and any former Bondholder a ruling or determination letter issued to or on behalf of the Institution by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Institution shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Institution, or upon any review or audit of the Institution or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Institution shall receive notice from the Bondholder or any former Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Holder or such former Bondholder the interest on the Series 2022A Bonds due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) above unless the Institution has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however,* that, within thirty (30) days of written demand from the Bondholder, the Institution shall promptly reimburse the Bondholder for any payments, including any taxes, interest, penalties or other charges, the Bondholder shall be obligated to make as a result of the Determination of Taxability.

“Gross-Up Rate” means, with respect to any interest payment (including payments made prior to the Determination of Taxability), the rate necessary to calculate a total payment in an amount sufficient

such that the sum of the interest payment plus an additional payment would, after reduced by the federal tax (including interest and penalties) actually payable thereon, equal the amount of the interest payment.

“Payments” means all Debt Service Payments payable by the Institution to the Issuer, and assigned to the Bondholder under this Bond Purchase and Loan Agreement.

“Record Date” means, with respect to any Debt Service Payment Date, the date (whether or not a Business Day) ten (10) days next preceding such Debt Service Payment Date.

This bond is duly authorized by the Issuer and designated as “Westchester County Local Development Corporation Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project)” (hereinafter called the “**Series 2022A Bond**” or the “**Series 2022A Bonds**”), and issued under and pursuant to the statutes of the State of New York, including Section 1411 of the New York Non-For-Profit Corporation Law (the “**Act**”), the Issuer’s Authorizing Resolution adopted on [February __, 2022] (the “**Resolution**”), and the Bond Purchase and Loan Agreement, dated as of [February] 1, 2022, among Kendal on Hudson (the “**Institution**”), the Issuer and the Bondholder (the “**Bond Purchase and Loan Agreement**”), for the purpose of providing funds for the Project (as defined in the Bond Purchase and Loan Agreement).

[The Institution has agreed to secure the payment obligations of the Institution under the Bond Purchase and Loan Agreement and the Series 2022A Bonds by the issuance of the Institution’s [Obligation No. 1 – 2022], dated [February __], 2022 (the “**Series 2022A Obligation**”), pursuant to the terms of the Master Trust Indenture, dated as of [February] 1, 2022 (the “**Master Trust Indenture**”), by and between the Institution and [], as master trustee (the “**Master Trustee**”), as amended and supplemented, including as amended and supplemented by the First Supplemental Master Trust Indenture, dated as of [February] 1, 2022 (the “**Series 2022A Supplemental Indenture**”; and, collectively with the Master Trust Indenture, the “**Master Indenture**”).

The Series 2022A Obligation and all MTI Obligations issued pursuant to the Master Indenture will be secured by (i) a Leasehold Mortgage and Security Agreement, dated as of [February] 1, 2022 (the “**Mortgage**”) from the Institution to the Issuer, which Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Mortgage, dated [February __], 2022 (the “**Assignment**”), from the Issuer to the Master Trustee, (ii) a pledge of Pledged Assets of the Obligated Group Members under the Master Indenture, and (iii) until the Series 2022B Bonds are issued, the collateral assignment by the Institution to the Master Trustee of all of its rights under the Residency Agreements pursuant to that certain Assignment of Residency Agreements, dated as of [February] 1, 2022 (the “**Collateral Assignment of Residency Agreements**”) and the Institution’s Affiliation Agreement pursuant to the Assignment of Affiliation Agreement, dated as of [February] 1, 2022 (the “**Collateral Assignment of Affiliation Agreement**”).]

This Series 2022A Bond is a special obligation of the Issuer payable solely from and secured by the Payments pledged under the Bond Purchase and Loan Agreement, including moneys derived from payments of principal and interest under the Bond Purchase and Loan Agreement, and certain funds held by the Bondholder.

The Series 2022A Bonds are issued for the purposes described in the Resolution and the Bond Purchase and Loan Agreement. Reference is hereby made to the Bond Purchase and Loan Agreement for a description of the rights, limitation of rights, obligations, duties and immunities of the Issuer and the Bondholder, and, by the acceptance of this Series 2022A Bond, the Bondholder assents to all provisions hereof and of the Bond Purchase and Loan Agreement.

This Series 2022A Bond may be prepaid prior to maturity only in accordance with Section 3.03 of the Bond Purchase and Loan Agreement. If any payment of this Series 2022A Bond becomes due and payable on any day that is not a Business Day, the maturity or interest due date shall be extended to the next succeeding Business Day, and interest shall be payable during such extension at the interest rate specified herein.

Upon the occurrence of an Event of Default, as defined in Article XI of the Bond Purchase and Loan Agreement, the principal hereof and accrued interest hereon may be declared to be forthwith due and payable in the manner, upon the conditions and with the effect provided in said Bond Purchase and Loan Agreement, and interest shall accrue at the Default Rate.

ALL PROVISIONS OF THE BOND PURCHASE AND LOAN AGREEMENT ARE INCORPORATED HEREIN AS IF SAID PROVISIONS WERE SET FORTH IN FULL HEREIN AND FOR ALL PURPOSES SHALL HAVE THE SAME EFFECT AS IF SET FORTH HEREIN. PROVISIONS OF THE BOND PURCHASE AND LOAN AGREEMENT WILL CONTROL TO THE EXTENT INCONSISTENT WITH PROVISIONS OF THIS SERIES 2022A BOND.

Redemption. The Series 2022A Bonds shall be subject to redemption prior to the maturity thereof on the terms and at the prices set forth in subsections (b) and (c) of Section 3.03 of the Bond Purchase and Loan Agreement.

Default Rate. Upon the occurrence and continuation of an Event of Default under the Bond Purchase and Loan Agreement, this Series 2022A Bond shall bear interest at the Default Rate.

Taxable Rate. Upon the occurrence and continuation of a Determination of Taxability Series 2022A Bond shall bear interest at the Gross-Up Rate.

THE SERIES 2022A BONDS ARE NOT AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY MUNICIPALITY OR SUBDIVISION OF THE STATE OF NEW YORK (INCLUDING WESTCHESTER COUNTY), AND NEITHER THE STATE OF NEW YORK NOR ANY SUCH MUNICIPALITY OR SUBDIVISION THEREOF (INCLUDING WESTCHESTER COUNTY) SHALL BE LIABLE THEREON. THE BONDHOLDER HEREBY ACKNOWLEDGES THAT THE ISSUER SHALL HAVE NO LIABILITY FOR ANY OTHER CHARGES PAYABLE PURSUANT TO, OR EXPENSES OR LIABILITIES INCURRED WITH RESPECT TO, OBLIGATIONS UNDER THE BOND PURCHASE AND LOAN AGREEMENT, WHICH OBLIGATIONS SHALL BE PAYABLE BY THE INSTITUTION TO THE BONDHOLDER IN ACCORDANCE WITH THE TERMS THEREOF

All payments made by or on behalf of the Institution to the Owner of the Series 2022A Bonds, or upon its order, with respect to Debt Service Payments pursuant to the Bond Purchase and Loan Agreement shall, to the extent of the sum or sums so paid, satisfy and discharge the

liability of the Issuer for Debt Service Payments payable upon the Series 2022A Bonds pursuant to the Bond Purchase and Loan Agreement.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Bond Purchase and Loan Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent, servant or employee of the Issuer in his individual capacity, and no recourse under or upon any obligation, covenant or agreement in the Bond Purchase and Loan Agreement contained or otherwise based upon or in respect of the Bond Purchase and Loan Agreement, or for any claim based hereon or thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future member, officer, agent, servant or employee, as such, of the Issuer or of any successor public benefit corporation or political subdivision or any person so executing the Bond Purchase and Loan Agreement, it being expressly understood that the Bond Purchase and Loan Agreement and the Series 2022A Bonds are solely special obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent, servant or employee of the Issuer or of any successor public benefit corporation or political subdivision or any person so executing the Bond Purchase and Loan Agreement because of the indebtedness thereby authorized or under or by reason of the obligations, covenants or agreements contained in the Bond Purchase and Loan Agreement or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, officer, director, agent, servant or employee because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Bond Purchase and Loan Agreement or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Bond Purchase and Loan Agreement and the issuance, execution, sale and delivery of the Series 2022A Bonds.

The Bond Purchase and Loan Agreement contains provisions permitting the amendment thereof by the Issuer, the Institution and the Bondholder.

This Series 2022A Bond is a negotiable instrument, subject, however, to the provisions for registration and transfer contained in the Bond Purchase and Loan Agreement and in this Series 2022A Bond. This Bond is transferable, as provided in the Bond Purchase and Loan Agreement, only upon the registration books kept by the Institution, as Bond Registrar, at the request of the Bondholder in person or by its attorney duly authorized in writing, only to a Qualified Institutional Buyer, upon surrender hereof together with a written instrument of transfer in the form attached hereto duly executed by the Bondholder or its duly authorized attorney and upon the payment of such charges as provided in this Series 2022A Bond. Upon surrender for transfer of this Series 2022A Bond and upon receipt of an unqualified assumption of all of the terms of the Bond Purchase and Loan Agreement which shall contain, without limitation, a certification from the transferee that such transferee is a Qualified Institutional Buyer and a reaffirmation by the transferee of the representations and warranties of the Bondholder set forth in the Bond Purchase and Loan Agreement, the Institution shall request the Issuer to issue in the name of the transferee a new Series 2022A Bond or Series 2022A Bonds in accordance with the provisions of the Bond Purchase and Loan Agreement and this Series 2022A Bond of the same aggregate principal amount, series and maturity.

The Issuer may deem and treat the person in whose name this Series 2022A Bond is registered upon the books of the Bond Registrar as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on this Series 2022A Bond and for all other purposes whatsoever, and all such payments so made to the Bondholder or upon its order shall be valid and effectual to satisfy and discharge the liability upon this Bond to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary.

For every transfer of Series 2022A Bonds the Issuer may make a charge sufficient to reimburse the Issuer for any tax, fee or other governmental charge required to be paid with respect to such transfer, which sum or sums shall be paid by the person requesting such transfer, as a condition precedent to the exercise of the privilege of making such transfer. The cost of preparing each new Bond issued upon such transfer and any other expenses of the Issuer incurred in connection therewith shall be paid by the person requesting such transfer.

It is hereby certified and recited by the Issuer that all conditions, acts, and things required by the statutes of the State of New York, the Resolution and the Bond Purchase and Loan Agreement to exist, to have happened and to have been performed precedent to or in the issuance of the Series 2022A Bonds in order to make the Series 2022A Bonds the legal, valid and binding special obligations of the Issuer, in accordance with their terms, exist, have happened and have been performed in regular and due form as required by law, and that the issuance of the Series 2022A Bonds is within every debt limit and other limit upon the Issuer prescribed by law or by the Resolution or the Bond Purchase or Loan Agreement for the Issuer.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, THE WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION has caused this Series 2022A Bond to be executed in its name by the facsimile signature of its Chair all as of the dated and year first above written.

**WESTCHESTER COUNTY LOCAL DEVELOPMENT
CORPORATION**

By: _____

Name: Joan McDonald

Title: Chair

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ [PLEASE INSERT THE NAME AND SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE] the within Series 2022A Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ Attorney to transfer the within Series 2022A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

By:

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the Bond in every particular, without alteration or enlargement, or any change whatever.

In the presence of:

EXHIBIT A

Repayment Schedule

Period Ending	Principal	Coupon	Interest	Debt Service
------------------	-----------	--------	----------	--------------



[END OF FORM OF SERIES 2022A BOND]

EXHIBIT B

Reserved

EXHIBIT C

Repayment Schedule

Period Ending	Principal	Coupon	Interest	Debt Service
------------------	-----------	--------	----------	--------------

EXHIBIT D

Form of Series 2022A 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 BONDHOLDER IN ACCORDANCE WITH THE BOND PURCHASE AND LOAN AGREEMENT, BOTH OF WHICH ARE REFERRED TO HEREIN

[\$16,000,000]

[February _], 2022

PROMISSORY NOTE

FOR VALUE RECEIVED, KENDAL ON HUDSON, a New York not-for-profit corporation and an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and exempt from federal income taxation pursuant to Section 501(a) of the Code, having an address at 1010 Kendal Way, Sleepy Hollow, New York 10591 (the “**Institution**”), promises to pay to the order of the WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION, a local development corporation existing under the laws of the State of New York, having its principal office at Michaelian Office Building, Room 903, 148 Martine Avenue, White Plains, New York 10601 (the “**Issuer**”), at such place as the Issuer may from time to time designate, the principal sum of \$[16,000,000] with interest as provided herein.

All capitalized terms used but not defined in this Series 2022A Promissory Note shall have the respective meanings assigned such terms by the Bond Purchase and 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 office of Bridge Funding Group, Inc., or its successor as bondholder (the “**Bondholder**”) under the Bond Purchase and Loan Agreement.

The principal amount, interest and redemption price shall be payable on the dates and in the amounts that principal of, interest and redemption price on the Series 2022A Bonds are payable under the Bond Purchase and Loan Agreement (as defined below), subject to prepayments and credits to the extent provided in the Bond Purchase and Loan Agreement.

This Series 2022A Promissory Note is referred to in the Bond Purchase and Loan Agreement, dated as of [February] 1, 2022 (the “**Bond Purchase and Loan Agreement**”), among the Institution, the Bondholder and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Series 2022A Promissory Note and the payments required to be made hereunder are irrevocably assigned, without recourse, representation or warranty, and pledged to the Bondholder

under the Bond Purchase and Loan Agreement, and such payments will be made directly to the Bondholder for the account of the Issuer pursuant to such assignment. Such assignment is made as security for the payment of the Issuer's \$[16,000,000] in aggregate principal amount of Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project) (the "**Series 2022A Bonds**") issued by the Issuer pursuant to the Bond Purchase and Loan Agreement. All the terms, conditions and provisions of the Bond Purchase and Loan Agreement and the Series 2022A Bonds are hereby incorporated as a part of this Series 2022A Promissory Note.

The Institution may under certain circumstances be required to prepay, together with accrued interest, all or any part of the amounts due under this Series 2022A Promissory Note, as provided in the Bond Purchase and Loan Agreement and the Series 2022A Bonds.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Institution.

The Institution hereby promises to pay reasonable and actual costs of collection and attorneys' fees in case of default on this Series 2022A Promissory Note.

This Series 2022A 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.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

This Series 2022A Promissory Note is signed and delivered as of the date first above written.

KENDAL ON HUDSON

By: _____

Name:

Title:

ENDORSEMENT

Pay to the order of Bridge Funding Group, Inc., without recourse, as Bondholder under the Bond Purchase and Loan Agreement, as security for the Series 2022A Bonds issued under such Bond Purchase and Loan Agreement. This endorsement is given without any warranty as to the authority or genuineness of the signature of the maker of the Series 2022A Promissory Note.

**WESTCHESTER COUNTY LOCAL DEVELOPMENT
CORPORATION**

By: _____

Name: Joan McDonald

Title: Chair

[END OF SERIES 2022A PROMISSORY NOTE]

Address: 1010 Kendal Way, Sleepy Hollow, New York 10591

Section: 11, Block: 1, Lot: 3.A2

Prepared by:
Nixon Peabody LLP
1300 Clinton Square
Rochester, New York 14604

INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT, dated as of [February] 1, 2022 (this “**Intercreditor Agreement**”), is by and among the WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION, a not-for-profit local development corporation existing under the laws of the State of New York (the “**Issuer**”), KENDAL ON HUDSON, a not-for-profit corporation existing under the laws of the State of New York (the “**Institution**”), U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, successor-in-interest to U.S. Bank National Association, a national banking association duly organized and existing under the laws of the United States of America, as trustee under the Series 2013 Indenture (hereinafter defined) (the “**Series 2013 Trustee**”), UMB BANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, as master trustee under the Master Indenture (hereinafter defined) (the “**Master Trustee**”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as collateral agent hereunder (the “**Collateral Agent**”).

Background:

A. The Issuer has previously issued its \$64,330,000 Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013) (the “**Series 2013 Bonds**”), under and pursuant to an Indenture of Trust dated as of April 1, 2013 (the “**Original Series 2013 Indenture**”), as supplemented pursuant to a First Supplemental Indenture of Trust, dated as of May 1, 2014 (the “**First Supplemental Indenture of Trust**”; and together with the Original Series 2013 Indenture, the “**Series 2013 Indenture**”), each between the Issuer and the Series 2013 Trustee. The proceeds of the Series 2013 Bonds were loaned to the Institution pursuant to a certain Loan Agreement, dated as of April 1, 2013 (the “**Original Series 2013 Loan Agreement**”), as amended pursuant to a First Amendment to Loan Agreement, dated as of May 1, 2014 (the “**First Amendment to Loan Agreement**”; and together with the Original Series 2013 Loan Agreement, the “**Series 2013 Loan Agreement**”), each between the Issuer and the Institution. The Institution delivered a Promissory Note dated April 18, 2013 (the “**Series 2013 Note**”) to the Issuer (which was endorsed by the Issuer, without recourse, to the Series 2013 Trustee), evidencing the loan under the Series 2013 Loan Agreement. Pursuant to the Series 2013 Indenture, the Issuer assigned substantially all its rights under the Series 2013 Loan Agreement to the Series 2013 Trustee, as trustee for the holders of the Series 2013 Bonds. The Institution’s payment obligations under the Series 2013 Loan Agreement are further secured by (i) a certain Leasehold Mortgage and Security Agreement, dated as of April 1, 2013 (the “**Series 2013 Mortgage**”), from the Institution and the County of Westchester Industrial Development Agency (the “**IDA**”) to the Issuer, which Series 2013 Mortgage was assigned by the Issuer to the Series 2013 Trustee pursuant to a certain Assignment of Mortgage, dated as of April 1, 2013 (the “**Series 2013 Assignment**”); (ii) a certain Pledge and Security Agreement, dated as of April 1, 2013 (the “**Series 2013 Pledge and Security Agreement**”), from the Institution to the Series 2013 Trustee; and (iii) the collateral assignment

by the Institution to the Series 2013 Trustee of all of its rights under the Residency Agreements pursuant to that certain Collateral Assignment of Residency Agreements, dated as of April 1, 2013 (the “**Series 2013 Collateral Assignment of Residency Agreements**”) and the Institution’s Affiliation Agreement pursuant to a certain Collateral Assignment of Affiliation Agreement and Permits, dated as of April 1, 2013 (the “**Series 2013 Collateral Assignment of Affiliation Agreement**”).

B. Pursuant to the terms of the Original Series 2013 Indenture, as amended by the First Supplemental Indenture of Trust, and the Original Series 2013 Loan Agreement, as amended by the First Amendment to Loan Agreement, the Issuer issued its \$18,000,000 Revenue Bonds (Kendal on Hudson Project – Series 2014) (the “**Series 2014 Bonds**”) and loaned the proceeds of the Series 2014 Bonds to the Institution. Concurrently with the issuance of the Series 2022A Bonds (as defined below), and through the use of a portion of the proceeds of the Series 2022A Bonds, the Series 2014 Bonds are being redeemed in full and will no longer be outstanding under the Series 2013 Indenture.

C. Concurrently with the execution and delivery of this Intercreditor Agreement, the Institution and the Master Trustee are entering into that certain Master Trust Indenture, dated as of [February] 1, 2022 (the “**Master Trust Indenture**”), as amended and supplemented, including as amended and supplemented by the (i) First Supplemental Master Trust Indenture, dated as of [February] 1, 2022 (the “**Series 2022A Supplemental Indenture**”) and (ii) the Second Supplemental Master Trust Indenture, dated as of [February] 1, 2022 (the “**Revolving Loan Supplemental Indenture**”; and, collectively with the Master Trust Indenture and the Series 2022A Supplemental Indenture, the “**Master Indenture**”). Under the Master Trust Indenture, the Institution deemed it necessary and desirable that it, and any other Members of the Obligated Group (as defined therein), be able to issue Obligations (as defined therein) of several series thereunder in order to secure the financing or refinancing of nursing home/retirement community facilities and for other lawful and proper corporate purposes. Pursuant to the terms thereto, the Master Trustee agreed to accept and administer the trusts created thereby, subject to the terms thereof.

D. Concurrently with the execution and delivery of this Intercreditor Agreement, the Issuer is issuing its \$[16,000,000] Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project) (the “**Series 2022A Bonds**”), under and pursuant to a Bond Purchase and Loan Agreement dated as of [February] 1, 2022 (the “**Series 2022A Bond Purchase and Loan Agreement**”), by and among the Issuer, Bridge Funding Group, Inc., a Delaware corporation, as bondholder (the “**Bondholder**”) and the Institution. The proceeds of the Series 2022A Bonds will be loaned to the Institution pursuant to the Series 2022A Bond Purchase and Loan Agreement. The Institution will deliver a Promissory Note dated [February []], 2022 (the “**Series 2022A Note**”) to the Issuer (which will be endorsed by the Issuer, without recourse, to the Bondholder), evidencing the loan under the Series 2022A Bond Purchase and Loan Agreement. Pursuant to the Series 2022A Bond Purchase and Loan Agreement, the Issuer will assign, pledge and grant to the Bondholder upon the terms thereof (a) all Payments (as defined therein) to be received from the Institution, (b) all rights to receive and collect such Payments and the proceeds of such rights, (c) all rights under the Series 2022A Note, and (d) all rights under the Series 2022A Obligation (as defined below). The Institution’s payment obligations under the Series 2022A Bond Purchase and Loan Agreement

will be secured by the Institution's [Obligation No. 1 – 2022], dated [February __], 2022 (the “**Series 2022A Obligation**”) issued pursuant to the Series 2022A Supplemental Indenture.

E. Concurrently with the execution and delivery of this Intercreditor Agreement, BankUnited, N.A., a national banking association (the “**Bank**”) is providing the Institution with a revolving loan in an aggregate principal amount not to exceed \$[5,000,000] (the “**Revolving Loan**”), pursuant to a [Revolving Loan Note] dated [February []], 2022 (the “**Revolving Loan Note**”), from the Institution in favor of the Bank. The Institution's obligations under the Revolving Loan Note will be secured by the Institution's [Obligation No. 2 – 2022], dated [February __], 2022 (the “**Revolving Loan Obligation**”) issued pursuant to the Revolving Loan Supplemental Indenture.

F. The Series 2022A Obligation and the Revolving Loan Obligation, together with all other Obligations issued pursuant to the Master Indenture will be secured by: (i) a pledge of Pledged Assets of the Obligated Group Members under the Master Indenture; (ii) a Leasehold Mortgage and Security Agreement, dated as of [February] 1, 2022 (the “**Series 2022A Mortgage**”) from the Institution to the Issuer, which Series 2022A Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Mortgage, dated [February __], 2022 (the “**Series 2022A Assignment**”), and a Leasehold Mortgage and Security Agreement, dated as of [February] 1, 2022 (the “**Revolving Loan Mortgage**” and together with the Series 2013 Mortgage and the Series 2022A Mortgage, the “**Mortgages**”) from the Institution to the Master Trustee; and (iii) until the Series 2022B Bonds (as defined herein) are issued, the collateral assignment by the Institution to the Master Trustee of all of its rights under the Residency Agreements pursuant to that certain Collateral Assignment of Residency Agreements, dated as of [February] 1, 2022 (the “**2022 Collateral Assignment of Residency Agreements**”; and together with the Series 2013 Collateral Assignment of Residency Agreements, the “**Collateral Assignments of Residency Agreements**”) and the Institution's Affiliation Agreement pursuant to the Collateral Assignment of Affiliation Agreement, dated as of [February] 1, 2022 (the “**2022 Collateral Assignment of Affiliation Agreement**”; and together with the Series 2013 Collateral Assignment of Affiliation Agreement, the “**Collateral Assignments of Affiliation Agreement**”).

G. In accordance with the provisions of Section 8.17 of the Series 2013 Loan Agreement, the Security Documents (as defined herein) are intended to secure, equally and ratably, the Institution's obligations under the Series 2013 Loan Agreement, the Series 2022A Obligation and the Revolving Loan Obligation.

H. In light of the foregoing, the parties are entering into this Intercreditor Agreement to provide for (i) the collection and distribution of the Pledged Revenues by the Collateral Agent; (ii) the exercise by the Collateral Agent of any remedies and rights under the Security Documents, for the equal and ratable benefit of the owners, or lender as the case may be, from time to time of the Series 2013 Bonds, the Series 2022A Obligation, the Revolving Loan Obligation and of each other future holder of Parity Indebtedness, as hereinafter defined (if any), all as provided herein.

NOW, THEREFORE, in consideration of the premises and the mutual promises and agreements of the parties herein, and intending to be legally bound, the parties hereby agree as follows:

Section 1. **Definitions.**

Capitalized terms used herein that are defined in the recitals hereto shall have the meanings set forth therein. Capitalized terms used herein that are defined in the Series 2013 Indenture, the Series 2022A Bond Purchase and Loan Agreement, and the Revolving Loan Note shall have the meanings set forth therein unless the context clearly requires otherwise. In addition, the following additional terms used herein shall be defined as follows.

“*Event of Default*” means any “Event of Default” or similar event described in any Parity Debt Agreement (as defined below) (after the passage of any applicable grace period) or the Security Documents.

“*Indebtedness*” shall have the meanings assigned thereto in the Series 2013 Indenture, the Series 2022A Bond Purchase and Loan Agreement and the Revolving Loan Note.

“*Mortgaged Property*” has the meaning set forth in the Mortgages.

“*Parity Debt Agreement*” means each of the Series 2013 Loan Agreement, the Series 2013 Note, the Series 2022A Obligation and the Revolving Loan Obligation, together with each other instrument or agreement evidencing indebtedness of the Institution identified as an additional Parity Debt Agreement in any Supplement entered into for the purpose of identifying the indebtedness evidenced thereby as additional Parity Indebtedness of the Institution.

“*Parity Indebtedness*” means any Indebtedness which is secured by a parity lien on the Mortgaged Property and/or the Pledged Revenues.

“*Parity Secured Party*” means each of: (i) the Series 2013 Trustee, in respect of the obligations of the Institution under the Series 2013 Loan Agreement and the Series 2013 Note, secured by the Series 2013 Mortgage, the Series 2013 Pledge and Security Agreement, the Series 2013 Collateral Assignment of Residency Agreements and the Series 2013 Collateral Assignment of Affiliation Agreement; (ii) the Master Trustee, in respect of the obligations of the Institution under the Series 2022A Obligation and the Revolving Loan Obligation, secured by the Master Trust Indenture, the Series 2022A Mortgage, the Revolving Loan Mortgage, the 2022 Collateral Assignment of Residency Agreements and the 2022 Collateral Assignment of Affiliation Agreement; and (iii) each holder of additional Parity Indebtedness identified as an additional Parity Secured Party in any Supplement entered into for the purpose of identifying the indebtedness evidenced thereby as additional Parity Indebtedness of the Institution.

“*Security Documents*” means, collectively, the Series 2013 Mortgage, the Series 2013 Collateral Assignment of Residency Agreements, the Series 2013 Collateral Assignment of Affiliation Agreement, the Series 2013 Pledge and Security Agreement, the Master Trust Indenture, the Series 2022A Mortgage, the Revolving Loan Mortgage, the 2022 Collateral Assignment of Residency Agreements and the 2022 Collateral Assignment of Affiliation Agreement.

“*Series 2022B Bonds*” means the Issuer’s Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) in the aggregate principal amount of \$[] which are expected to be issued on [], 2022.

“*Supplement*” means any Supplement to this Intercreditor Agreement delivered pursuant to Section 6 hereof.

“*Pledged Revenues*” means the (i) “Pledged Revenues” as defined in the Series 2013 Pledge and Security Agreement and (ii) “Gross Revenues” as defined in the Master Indenture and any similar term used to define the pledged revenues of the Institution in any additional Parity Debt Agreement.

Section 2. **Parity Indebtedness.**

By their execution of this Intercreditor Agreement, the parties hereto acknowledge and agree that the grant by the Institution of a lien on and security interest in the Pledged Revenues to each Parity Secured Party shall secure the indebtedness of the Institution under each Parity Debt Agreement equally and ratably in accordance with this Intercreditor Agreement without regard to the time any such lien or security agreement was created or the order of attachment or perfection of any such lien or security agreement or the filing of any financing statement in respect thereof or any other circumstance whatsoever.

By their execution of this Intercreditor Agreement, the parties hereto acknowledge and agree that the grant by the Institution of (i) a mortgage on the Mortgaged Property and (ii) the Collateral Assignments of Residency Agreements and Collateral Assignments of Affiliation Agreement to each Parity Secured Party shall secure the indebtedness of the Institution under each of the Series 2013 Loan Agreement, the Series 2013 Note, the Series 2022A Obligation and the Revolving Loan Obligation equally and ratably in accordance with this Intercreditor Agreement without regard to the time any such lien, security agreement or mortgage was created or the order of attachment or perfection of any such lien, security agreement or mortgage or the filing of any financing statement in respect thereof or any other circumstance whatsoever.

By their execution of this Intercreditor Agreement, the parties hereto acknowledge and agree that the funds on deposit in the Debt Service Reserve Fund and the Rebate Fund held under the Series 2013 Indenture are held only for the benefit of the holders of the Series 2013 Bonds and no other parties.

Section 3. **Mortgage Foreclosure Proceeds and Collateral Assignments.**

The exercise of rights and remedies under the Mortgages, the Collateral Assignments of Residency Agreements and the Collateral Assignments of Affiliation Agreement shall be exercised by the Collateral Agent in accordance with the provisions of the Series 2013 Indenture and the Series 2013 Loan Agreement (including, without limitation, Section 8.17(a)(vii) thereof) and any and all proceeds shall be applied as further directed under this Section 3. The proceeds from the sale under the Mortgages of all or any part of the Mortgaged Property or proceeds from the collateral assignments shall promptly be remitted to the Collateral Agent upon receipt

and in the form received. The Collateral Agent shall allocate the proceeds to each Parity Secured Party on a pro rata basis for the equal and ratable benefit of each Parity Secured Party.

Section 4. Application of Pledged Revenues.

(a) In order to secure the interests of each Parity Secured Party in the Pledged Revenues, the Collateral Agent shall act for the benefit of each Parity Secured Party in accordance with the provisions of the Series 2013 Indenture and the Series 2013 Loan Agreement (including, without limitation, Section 8.17(a)(vii) thereof). Upon the occurrence or continuation of any Event of Default, the Institution shall deliver or cause to be delivered no less frequently than weekly its Pledged Revenues to the Collateral Agent to be applied for the equal and ratable benefit of each Parity Secured Party.

(b) The Collateral Agent shall apply the available Pledged Revenues received in accordance with subsection (a) above to the payment of the Institution's obligations under each Parity Debt Agreement, respectively, on a pro rata basis in proportion to the aggregate amount due under each Parity Debt Agreement (less, in each case, the amount of any available funds held by the Parity Secured Party for such payment, including, without limitation, any debt service fund, but excluding, in each case, any debt service reserve fund held by the Parity Secured Party securing any applicable Parity Indebtedness), divided by the total amount of Parity Indebtedness at the time outstanding pursuant to the Parity Debt Agreements. For purposes of this paragraph, in the event one or more Parity Debt Agreements require the payment of interest on a monthly basis and one or more Parity Debt Agreements require the payment of interest on a semi-annual basis, the Collateral Agent shall treat one-sixth of the amount of any semi-annual interest payment as being due in each month and in the event one or more Parity Debt Agreements require the payment of principal on a monthly basis and one or more Parity Debt Agreements require the payment of principal on an annual basis, the Collateral Agent shall treat one-twelfth of the amount of any annual principal payment as being due in each month. The Collateral Agent shall promptly make available to each Parity Secured Party any portion of the Pledged Revenues to which each Parity Secured Party is entitled under this Section.

(c) Each Parity Secured Party shall promptly give written notice to each other Parity Secured Party and to the Collateral Agent of the occurrence of (i) any Event of Default or (ii) any other event which with the giving of notice, the passage of time or both would be an Event of Default of which it has knowledge or (iii) fifteen (15) days prior written notice of the exercise, cure, waiver of any rights or remedies relating to any Event of Default, or (iv) any notice received from the Institution, the Issuer, or any third party referencing an Event of Default, in accordance with the terms of any Parity Debt Agreement, as applicable.

(d) At the written request of the Collateral Agent, each other Parity Secured Party shall provide the Collateral Agent information needed to determine the amount, if any, to be distributed to such other Parity Secured Party pursuant to subsection (b) above.

(e) The Collateral Agent shall provide notice to the Series 2013 Trustee and the Master Trustee of any exercise of its rights under this Intercreditor Agreement.

Section 5. Property Held by Parity Secured Party.

If and to the extent that, at any time an Event of Default shall have occurred and be continuing and any Parity Secured Party shall be then be in possession of or thereafter have, acquire or be entitled to receive, by exercise of any right of set-off, bankers lien or other right, lien or security interest, whether created by any law or contract, any portion of the Pledged Revenues or any proceeds thereof, including any cash, investments or other property held in any deposit or investment account maintained by the Institution with such Parity Secured Party, but excluding in all instances the funds in the Debt Service Reserve Fund held by the Series 2013 Trustee under the Series 2013 Indenture for the benefit of the Series 2013 Bonds, such Parity Secured Party shall promptly deliver the same to the Collateral Agent for application as provided in Section 4 above and prior to such delivery, shall hold and maintain such property for the benefit and security of all of the Parity Secured Parties.

Section 6. Additional Parity Indebtedness.

(a) The Institution will cause each holder of additional Parity Indebtedness of the Institution hereafter incurred to enter into a Supplement, pursuant to which such holder shall agree to the collection and distribution of the Pledged Revenues and the Mortgaged Property for the equal and ratable benefit and security of all holders of Parity Indebtedness in the manner provided herein.

(b) In connection with each Supplement, the Institution shall prepare a schedule, substantially in the form of Schedule 1 to the Intercreditor Agreement, identifying as of the date of such Supplement, the following: (i) each prior Supplement (if any); (ii) each Parity Debt Agreement then outstanding; and (iii) each Parity Secured Party (including the current address and facsimile number or other address or direction for electronic delivery of notices under the Intercreditor Agreement). The Institution shall deliver a copy of any such Supplement to each Parity Secured Party.

Section 7. Accountings. The Collateral Agent shall keep and maintain adequate records pertaining to all disbursements hereunder and shall annually file an accounting thereof with the Series 2013 Trustee, the Master Trustee and the Institution.

Section 8. Payment of Expenses. The Institution shall pay when billed all reasonable fees, compensation and expenses of the Collateral Agent under the Intercreditor Agreement, including reasonable fees for legal counsel. The Collateral Agent's fee schedule is attached hereto as Schedule 2. The Institution agrees to indemnify the Collateral Agent for, and to hold it harmless against, any loss, liability or expense incurred without gross negligence or willful misconduct on the part of the Collateral Agent arising out of or in connection with the Intercreditor Agreement or any action taken under or contemplated by the Intercreditor Agreement. In case any such claim should be made or action brought against the Collateral Agent in respect of which indemnity may be sought against the Institution, the Collateral Agent shall, as a condition of its

right to indemnification hereunder, promptly notice the Institution in writing setting forth the particulars of such claim or action. A delay in notification shall not nullify the Institution's obligation to indemnify the Collateral Agent and assume the costs for all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing provided that any such losses, damages, liabilities or expenses of the Collateral Agent are not incurred as a result from the gross negligence or willful misconduct of the Collateral Agent as determined by a court of final jurisdiction. This Section 8 shall survive the termination of the Intercreditor Agreement. The Series 2013 Trustee or the Master Trustee may (but shall not be obligated to) advance such cost or expense of the Collateral Agent.

Section 9. **Appointment of Successor Collateral Agent.**

(a) In case the Collateral Agent hereunder shall resign, or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Collateral Agent may be appointed by the Parity Secured Parties by an instrument signed by each Parity Secured Party and delivered to such successor Collateral Agent, the predecessor Collateral Agent, the Series 2013 Trustee, the Master Trustee, the Issuer and the Institution.

(b) No Collateral Agent shall resign hereunder until a successor Collateral Agent shall be appointed hereunder. If the position of Collateral Agent shall become vacant for any reason the Institution shall cooperate with the Series 2013 Trustee and the Master Trustee to appoint a successor Collateral Agent and shall use their best efforts to obtain acceptance of such appointment of successor Collateral Agent within sixty (60) days from such vacancy or notice of resignation. If no successor Collateral Agent has been appointed and qualified within 60 days after the date notice of resignation is given, the Collateral Agent may apply to any court of competent jurisdiction (at the sole expense of the Institution) for the appointment of a successor Collateral Agent to act until such time as a successor is appointed as provided in this paragraph. Within twenty (20) days after such appointment and acceptance, the Series 2013 Trustee and the Master Trustee shall notify in writing the Institution, the Bank and the Holders of all Series 2013 Bonds and Series 2022A Bonds.

(c) The Collateral Agent may be removed for any reason at any time by written notice prepared by the Series 2013 Trustee and the Master Trustee.

(d) Section 16 of this Agreement shall control the replacement of the Collateral Agent in the event of a replacement by a successor Trustee under the Series 2013 Indenture.

Section 10. **Notices.**

Any notice hereunder shall be given to the applicable party in writing by first class mail postage prepaid or by recognized overnight courier service, and shall be delivered to the Institution as follows:

To the Institution:

Kendal on Hudson
1010 Kendal Way
Sleepy Hollow, New York 10591
Attention: Chief Financial Officer

To the Issuer:

Westchester County Local Development Corporation
Michaelian Office Building, Room 903
148 Martine Avenue
White Plains, New York 10601
Attention: Board Chair

To the Series 2013 Trustee:

U.S. Bank Trust Company, National Association
100 Wall Street, Suite 600
New York, New York 10005
Attention: Corporate Trust Administration

To the Master Trustee:

UMB Bank, N.A.
100 William Street, Suite 1850
New York, New York 10038
Attention: Corporate Trust Services

To the Collateral Agent:

U.S. Bank Trust Company, National Association

100 Wall Street, Suite 600

New York, New York 10005

Attention: Corporate Trust Administration

Any notice given to any Parity Secured Party shall be delivered to the address of such Parity Secured Party as provided on Schedule 1 hereto (including any amended Schedule 1 provided in any Supplement hereto).

Section 11. Governing Law.

This Intercreditor Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to principles of conflicts of laws contained therein.

Section 12. Agreement Controlling.

To the extent there is a conflict or inconsistency between the terms of this Intercreditor Agreement, the Parity Debt Agreements or the Security Documents or any amendment or modification of either thereof, this Intercreditor Agreement shall control as among the parties hereto.

Section 13. Integration.

This Intercreditor Agreement sets forth the entire agreement among the parties hereto relating to the transactions contemplated hereby and supersedes any prior oral or written statements or agreements with respect to such transactions.

Section 14. Amendments.

Except as provided in Section 6 hereof in connection with the issuance of additional Parity Indebtedness, this Intercreditor Agreement may not be amended, modified or supplemented except in writing signed by each of the parties hereto.

Section 15. Counterparts.

This Intercreditor Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as original and such counterparts shall constitute but one and the same instrument.

Section 16. Rights of the Collateral Agent; Successor Collateral Agent.

The parties hereto acknowledge and agree that, in exercising its rights and performing its duties as Collateral Agent, the Collateral Agent shall be entitled to the rights, protections, immunities and indemnities provided to it as Trustee by the Series 2013 Indenture and the Series 2013 Loan Agreement as if such rights, protections, immunities and indemnities were set forth in full herein. If the Collateral Agent is replaced with a successor trustee under the Series 2013 Indenture, then such successor trustee shall automatically become the Collateral Agent under this Intercreditor Agreement.

Section 17. Directions to Trustee and Collateral Agent.

By its acceptance and acknowledgement of this Intercreditor Agreement, the Institution is hereby requesting and directing (i) the Series 2013 Trustee to execute this Intercreditor Agreement and any new intercreditor agreement in accordance with Section 14 above and in connection therewith, but solely in its capacity as the Series 2013 Trustee for the benefit of the holders of the Series 2013 Bonds, and (ii) the Collateral Agent to execute this Intercreditor Agreement and any new intercreditor agreement in accordance with Section 14 above and in connection therewith, but solely in its capacity as the Collateral Agent for the benefit of each Parity Secured Party.

Section 18. Termination of this Intercreditor Agreement.

The parties hereto acknowledge and agree that this Intercreditor Agreement will terminate upon the issuance of the Series 2022B Bonds and the discharge of the Series 2013 Indenture.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, each of the parties hereto have caused this Intercreditor Agreement to be duly executed on its behalf by its duly authorized officer or representative as of date set forth above.

**WESTCHESTER COUNTY LOCAL
DEVELOPMENT CORPORATION**, as the
Issuer

By: __

Name:

Title:

KENDAL ON HUDSON, as the Institution

By: __

Name:

Title:

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**, successor-in-interest to U.S.
Bank National Association, as the Series 2013
Trustee

By: __

Name:

Title:

UMB BANK, N.A., as the Master Trustee

By: __

Name:

Title:

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as the Collateral Agent**

By: __
Name:
Title:

Signature Page 1 of 3
Intercreditor Agreement

STATE OF NEW YORK)

) ss.:

COUNTY OF)

On the ___ day of February in the year 2022, before me, the undersigned, personally appeared _____, 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/he executed the same in her/his capacity, and that by her/his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)

) ss.:

COUNTY OF)

On the ___ day of February in the year 2022, before me, the undersigned, personally appeared _____, 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/he executed the same in her/his capacity, and that by her/his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF)

) ss.:

COUNTY OF)

On the ___ day of February in the year 2022, before me, the undersigned, personally appeared _____, 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/he executed the same in her/his capacity, and that by her/his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF)

) ss.:

COUNTY OF)

On the ___ day of February in the year 2022, before me, the undersigned, personally appeared _____, 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/he executed the same in her/his capacity, and that by her/his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

Signature Page 2 of 3
Intercreditor Agreement

STATE OF)

) ss.:

COUNTY OF)

On the ___ day of February in the year 2022, before me, the undersigned, personally appeared _____, 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/he executed the same in her/his capacity, and that by her/his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

Signature Page 3 of 3
Intercreditor Agreement

SCHEDULE 1

Schedule of Parity Indebtedness

1. Prior Supplements to Intercreditor Agreement.
None.

2. Parity Debt Agreements:
 - (a) Loan Agreement, dated as of April 1, 2013, between the Issuer and the Institution (as amended and supplemented from time to time, the “**Series 2013 Loan Agreement**”);
 - (b) The Promissory Note, dated April 18, 2013, from the Institution to the Issuer and endorsed by the Issuer to the Series 2013 Trustee (as amended and supplemented from time to time, the “**Series 2013 Note**”);
 - (c) Bond Purchase and Loan Agreement, dated as of [February] 1, 2022, among the Issuer, the Bondholder and the Institution (as amended and supplemented from time to time, the “**Series 2022A Bond Purchase and Loan Agreement**”);
 - (d) The Promissory Note, dated [February []], 2022, from the Institution to the Issuer and endorsed by the Issuer to the Bondholder (as amended and supplemented from time to time, the “**Series 2022A Note**”); and
 - (e) Revolving Loan Note, dated [February []], 2022, from the Institution to the Bank (as amended and supplemented from time to time, the “**Revolving Loan Note**”).

3. Parity Secured Parties:
 - (a) Series 2013 Trustee:
U.S. Bank Trust Company, National Association

100 Wall Street, Suite 600

New York, New York 10005

Attention: Corporate Trust Administration

 - (b) Master Trustee:
UMB Bank, N.A.

100 William Street, Suite 1850

New York, New York 10038

Attention: Corporate Trust Services

SCHEDULE 2

COLLATERAL AGENT FEE SCHEDULE

[To be attached]

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

(WESTCHESTER COUNTY, NEW YORK)

and

UMB BANK, N.A., AS TRUSTEE

INDENTURE OF TRUST

Dated as of [_____] 1, 2022

[\$39,315,000]

Westchester County Local Development Corporation

Revenue Refunding Bonds, Series 2022B

(Kendal on Hudson Project) (Forward Delivery)

INDEX

RECITALS	1
GRANTING CLAUSES	3
ARTICLE I DEFINITIONS; RULES OF CONSTRUCTION	5
Section 1.01. Definition of Terms	5
Section 1.02. Rules of Construction	5
ARTICLE II AUTHORIZATION AND ISSUANCE OF BONDS	5
Section 2.01. Authorized Amount of Bonds; Minimum Denominations; Interest Rate; Maturity Dates.	5
Section 2.02. Purpose for Which Bonds May Be Issued	6
Section 2.03. Installments, Interest Rates and Certain Other Provisions	6
Section 2.04. Execution; No Recourse; Special Obligations.	7
Section 2.05. Authentication	8
Section 2.06. Form of Bonds	8
Section 2.07. Authorization and Preparation of Bonds	8
Section 2.08. Delivery of Series 2022B Bonds.	8
Section 2.09. Mutilated, Lost, Stolen or Destroyed Bonds.	10
Section 2.10. Negotiability of Bonds and Registration Books.	10
Section 2.11. Transfer of Bonds.	11
Section 2.12. Regulations with Respect to Exchanges and Transfers.	11
Section 2.13. Book-Entry Bonds.	11
Section 2.14. Additional Bonds.	14
ARTICLE III REDEMPTION OF SERIES 2022B Bonds BEFORE MATURITY	17
Section 3.01. Redemption Dates and Prices.	17
Section 3.02. Notice of Redemption.	19
Section 3.03. Payment of Redeemed Bonds.	20
ARTICLE IV FUNDS, REVENUES, BOND PROCEEDS AND APPLICATION THEREOF	21
Section 4.01. Establishment of Funds	21
Section 4.02. Application of Bond Proceeds and Allocation Thereof.	21
Section 4.03. Moneys to Be Held in Trust	21
Section 4.04. Use of the Moneys in Project Fund.	22
Section 4.05. Payments into Bond Fund	23

Section 4.06. Use of Moneys in Bond Fund.	23
Section 4.07. Reserved.	25
Section 4.08. Investment Earnings on Funds; Application of Investment Earnings on Funds.	25
Section 4.09. Payments into Rebate Fund; Application of Rebate Fund.	26
Section 4.10. Investment of Moneys.	26
Section 4.11. Payment to Institution upon Payment of Bonds	27
ARTICLE V GENERAL COVENANTS AND PROVISIONS	27
Section 5.01. Authority of Issuer; Validity of Indenture and Series 2022B Bonds	27
Section 5.02. Performance of Covenants	28
Section 5.03. Payment of Principal and Interest	28
Section 5.04. Series 2022B Project Revenues	28
Section 5.05. Priority of Lien of Indenture	28
Section 5.06. Enforcement of Duties and Obligations of Institution	28
Section 5.07. Filing of Financing Statements.	28
Section 5.08. Inspection of Project Books	29
Section 5.09. Rights Under Bond Documents	29
Section 5.10. List of Owners.	29
Section 5.11. Failure to Present Bonds	29
Section 5.12. Cancellation	30
Section 5.13. Payments Due on Days Other Than Business Days	30
Section 5.14. Agreement to Provide Information	30
Section 5.15. Continuing Disclosure Agreement	30
ARTICLE VI PRIORITY RIGHTS OF TRUSTEE	31
Section 6.01. Priority Rights of Trustee	31
ARTICLE VII DISCHARGE OF LIEN; DEFEASANCE OF BONDS	31
Section 7.01. Discharge of Lien.	31
Section 7.02. Discharge of this Indenture.	32
Section 7.03. Lien Law Section 73 Covenant.	33
ARTICLE VIII DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS	33
Section 8.01. Events of Default.	33
Section 8.02. Acceleration; Annulment of Acceleration.	34

Section 8.03. Enforcement of Remedies.	35
Section 8.04. Appointment of Receivers.	35
Section 8.05. Application of Moneys.	35
Section 8.06. Remedies Vested in Trustee	36
Section 8.07. Remedies Not Exclusive.	37
Section 8.08. Individual Bondholder Action Restricted.	37
Section 8.09. Termination of Proceedings.	38
Section 8.10. Waiver and Non-Waiver of Event of Default.	38
Section 8.11. Notice of Defaults.	38
ARTICLE IX TRUSTEE AND PAYING AGENT	38
Section 9.01. Appointment of Trustee and Acceptance of Duties.	38
Section 9.02. Fees, Charges and Expenses of Trustee and Paying Agents.	41
Section 9.04. Right of Trustee to Pay Taxes, Insurance Premiums and Other Charges.	42
Section 9.05. Merger or Consolidation of Trustee.	43
Section 9.06. Resignation by Trustee	43
Section 9.07. Removal of Trustee.	43
Section 9.08. Appointment of Successor Trustee by Bondholders; Temporary Trustee.	43
Section 9.09. Concerning Successor Trustees.	44
Section 9.10. Successor Trustee as Custodian of Funds and Paying Agent.	44
Section 9.11. Trust Estate May Be Vested in Co-Trustee.	45
Section 9.12. Appointment, Resignation or Removal of Paying Agent; Successors.	45
Section 9.13. Trustee to Exercise Powers of Statutory Trustee	46
Section 9.14. Force Majeure	46
Section 9.15. Trustee as Repository.	46
ARTICLE X SUPPLEMENTAL INDENTURES	46
Section 10.01. Supplemental Indentures Not Requiring Consent of Owners.	46
Section 10.02. Supplemental Indentures Requiring Consent of Owners.	48
Section 10.03. Consent of Institution to Supplemental Indentures.	49
Section 10.04. Effect of Supplemental Indentures.	49
ARTICLE XI AMENDMENTS AND MODIFICATIONS TO THE LOAN AGREEMENT AND TAX REGULATORY AGREEMENT	49

Section 11.01. Amendments to the Loan Agreement Not Requiring Consent of Owners.	49
Section 11.02. Amendments to the Loan Agreement Requiring Consent of Owners.	50
Section 11.03. Amendments of Tax Regulatory Agreement Not Requiring Consent of Owners.	50
Section 11.04. Amendments of Tax Regulatory Agreement Requiring Consent of Owners	50
ARTICLE XII MISCELLANEOUS	51
Section 12.01. Consent of Owners.	51
Section 12.02. Limitation of Rights	51
Section 12.03. Severability.	52
Section 12.04. Notices.	52
Section 12.05. Counterparts.	53
Section 12.06. Applicable Law.	53
Section 12.07. Lien Law.	53
Section 12.08. No Recourse on Bonds.	53
Section 12.09. Table of Contents and Section Headings Not Controlling.	54
Section 12.10. Patriot Act.	54
<u>EXHIBIT A</u>	FORM OF SERIES 2022B BONDS
<u>EXHIBIT B</u>	FORM OF REQUISITION
<u>SCHEDULE A</u>	SCHEDULE OF DEFINITIONS

This INDENTURE OF TRUST, dated as of [_____] 1, 2022 (this “**Indenture**”), is by and between WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION, a not-for-profit local development corporation existing under the laws of the State of New York, located at Michaelian Office Building, Room 903, 148 Martine Avenue, White Plains, New York 10601 (the “**Issuer**”), and UMB BANK, N.A., as trustee, a national banking association duly organized and existing under the laws of the United States of America authorized to accept and execute trusts of the character hereinafter set forth, having a corporate trust office at 100 William Street, Suite 1850, New York, New York 10038, Attention: Corporate Trust Services (the “**Trustee**”).

RECITALS

WHEREAS, the Issuer was created pursuant to and in accordance with the provisions of Section 1411 of the New York Not-for-Profit Corporation Law (the “**Act**”) and is empowered under the Act to undertake the providing of projects of a character such as the hereinafter defined Project for the public purposes of the State of New York (the “**State**”); and

WHEREAS, the Issuer proposes to issue its Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery) as qualified 501(c)(3) bonds under Section 145 of the Internal Revenue Code of 1986, as amended (the “**Code**”), in the principal amount of \$[39,315,000] (the “**Series 2022B Bonds**”), on behalf of Kendal on Hudson, a New York not-for-profit corporation and an organization described in Section 501(c)(3) of the Code and exempt from federal income taxation pursuant to Section 501(a) of the Code, located at 1010 Kendal Way, Sleepy Hollow, New York 10591 (the “**Institution**”); and

WHEREAS, the Series 2022B Bonds will be issued to finance the following (collectively, the “**Project**”):

- (A) the refinancing of the Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013) (the “**Series 2013 Bonds**”) issued by the Issuer, in the original aggregate principal amount of \$64,330,000, approximately \$[45,000,000] of which are currently outstanding and the proceeds of which Series 2013 Bonds were used for (i) the refinancing of the Continuing Care Retirement Community Fixed Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003A) (the “**Series 2003A Bonds**”) issued by the County of Westchester Industrial Development Agency (the “**IDA**”), in the original aggregate principal amount of \$65,070,000, approximately \$21,465,000 of which were outstanding and the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003B) (the “**Series 2003B Bonds**”; and, together with the Series 2003A Bonds, the “**Series 2003 Bonds**”) issued by the IDA in the original aggregate principal amount of \$7,000,000, approximately \$6,425,000 of which were outstanding and the proceeds of which Series 2003 Bonds were used to fund a portion of the cost of the acquisition, construction and equipping of the continuing care retirement

community known as “Kendal on Hudson” and related structures, and the acquisition and installation of machinery and equipment in connection therewith (the “**Facility**”), all for the establishment of a continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens, which then consisted of 222 independent living units, 24 enriched housing units, 42 skilled nursing facility beds, common areas and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities located on leased premises, consisting of 21 acres and with an address of 1010 Kendal Way in the Village of Sleepy Hollow, Town of Mount Pleasant, Westchester County, New York (the “**Land**”); and (ii) the refinancing of the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2007) issued by the IDA in the original aggregate principal amount of \$41,350,000 (the “**Series 2007 Bonds**”), approximately \$40,710,000 of which Series 2007 Bonds were outstanding and the proceeds of which were originally used to refinance a portion of the Series 2003A Bonds; and (iii) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds, including issuance costs of the Series 2013 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2013 Bonds; and

- (B) the payment of all or a portion of the costs incidental to the issuance of the Series 2022B Bonds, including issuance costs of the Series 2022B Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2022B Bonds; and

WHEREAS, contemporaneously with the execution of this Indenture, the Issuer has loaned the proceeds of the Series 2022B Bonds to the Institution for the purposes of financing the costs of the Project pursuant to a certain Loan Agreement, dated as of [_____] 1, 2022 (the “**Loan Agreement**”), by and between the Institution and the Issuer, and to which Loan Agreement reference may be made by any interested person for the terms, conditions and obligations of the parties thereto; and

WHEREAS, the execution and delivery of this Indenture and the issuance of the Series 2022B Bonds under the Act as herein provided have been in all respects approved and duly and validly authorized by resolutions duly adopted by the Issuer; and

WHEREAS, it has been determined that providing and paying for the Project will require the issuance, sale and delivery of the Series 2022B Bonds, in the aggregate principal amount of [THIRTY NINE MILLION THREE HUNDRED FIFTEEN THOUSAND AND 00/100 DOLLARS (\$39,315,000)], as hereinafter provided; and

The fully registered Series 2022B Bonds without coupons to be issued hereunder and the Trustee’s Certificate of Authentication to be endorsed on the Series 2022B Bonds are all to be in substantially the form of Exhibit A attached hereto, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, the Issuer has loaned the Bond Proceeds to the Institution pursuant to the Loan Agreement; and

[WHEREAS, the Institution has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2022B Bonds by the issuance of the Institution's [Obligation No. 3 – 2022], dated [____], 2022 (the “**Series 2022B Obligation**”), pursuant to the terms of the Master Trust Indenture, dated as of [February] 1, 2022 (the “**Master Trust Indenture**”), by and between the Institution and UMB Bank, N.A., as master trustee (the “**Master Trustee**”), as amended and supplemented, including as amended and supplemented by (i) the First Supplemental Master Trust Indenture, dated as of [February] 1, 2022 (the “**Supplement No. 1**”), and (ii) the Second Supplemental Master Trust Indenture, dated as of [____] 1, 2022 (the “**Supplement No. 2**”; and, together with the Supplement No. 1, collectively with the Master Trust Indenture, the “**Master Indenture**”), which Series 2022B Obligation, with the Loan Agreement, will each be assigned by the Issuer to the Trustee pursuant to this Indenture as security for the Series 2022B Bonds; and]

WHEREAS, the Series 2022B Obligation and all Obligations issued pursuant to the Master Indenture will be secured by (i) a Leasehold Mortgage and Security Agreement, dated as of [____] 1, 2022 (the “**Mortgage**”) from the Institution to the Issuer, which Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Mortgage, dated [____], 2022 (the “**Assignment**”), from the Issuer to the Master Trustee, and (ii) a pledge of Pledged Assets of the Obligated Group Members under the Master Indenture; and

WHEREAS, all things necessary to make the Series 2022B Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid lien on the Trust Estate and a valid pledge of the revenues and receipts herein described in accordance with the terms hereof, have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of such Series 2022B Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, THE PARTIES HERETO FURTHER DECLARE:

GRANTING CLAUSES

That the Issuer, in consideration of the mutual covenants herein contained, and as security for the Series 2022B Bonds and any Additional Bonds issued hereunder (collectively, the “**Bonds**”) and for the payment of all other sums required to be paid hereunder, does hereby grant a security interest in, release, assign, transfer and pledge unto the Trustee, and its successors and assigns forever, for the benefit of the Owners and future Owners of the Bonds issued hereunder, the following described property:

a. (i) All moneys and obligations which are deposited or required to be deposited in the Bond Fund, the Project Fund or any other fund established under this Indenture (except the Rebate Fund), (ii) all other moneys or obligations which at such time

are deposited or are required to be deposited with, or are held or required to be held by or on behalf of, the Trustee in trust under any of the provisions of this Indenture and any other right, title or interest which at such time is subject to the lien of this Indenture, except for moneys or obligations deposited with or paid to the Trustee for the redemption or payment of Bonds which are deemed to have been paid in accordance with Article VII hereof, and (iii) all rights and interests of Issuer in and to the Loan Agreement (except Unassigned Rights) and the Series 2022B Promissory Note;

b. The Series 2022B Obligation issued by the Institution;

c. Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder (except moneys and securities in the Rebate Fund), by the Issuer or by anyone in its behalf or with its written consent or by the Institution in favor of the Trustee, which is hereby authorized to receive any and all such Property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged, assigned and conveyed by the Issuer as aforesaid, or intended so to be, unto the Trustee and its successors in the trust and its assigns forever.

In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time: (a) this Indenture shall constitute a contract among the Issuer, the Trustee and the Owners from time to time of the Bonds, and (b) the pledge made in this Indenture and the covenants set forth herein to be performed by the Issuer shall be for the equal and ratable benefit, security and protection of all Owners of the Bonds without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, (a) shall pay or cause to be paid the principal of, redemption premium, if any, and interest on the Bonds at the times and in the manner mentioned in the Bonds or shall provide, as permitted hereby, for the payment thereof, (b) shall perform and observe all the covenants to be performed and observed by it hereunder, and (c) shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and of the Loan Agreement, then upon such final payments, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH that the Issuer hereby agrees and covenants with the Trustee for the equal and proportional benefit of the respective Owners, and the Trustee hereby accepts and agrees to accept and discharge such trusts from time to time of the said Bonds or any part thereof, as follows:

**ARTICLE I
DEFINITIONS; RULES OF CONSTRUCTION**

Section 1.01. Definition of Terms. All of the capitalized terms used in this Indenture and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached hereto as Schedule A and made a part hereof.

Section 1.02. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.
- (c) All references herein to particular articles or sections, unless otherwise provided, are references to articles or sections of this Indenture.
- (d) The headings herein are solely for convenience of reference and shall not constitute a part of this Indenture, nor shall they affect its meaning, construction or effect.

**ARTICLE II
AUTHORIZATION AND ISSUANCE OF BONDS**

Section 2.01. Authorized Amount of Bonds; Minimum Denominations; Interest Rate; Maturity Dates.

(a) No Bonds may be authenticated and issued under the provisions of this Indenture except in accordance with this Article II. Except as otherwise provided in Section 2.09 or Section 2.14 hereof, the aggregate principal amount of the Bonds which may be authenticated and issued under this Indenture is [THIRTY NINE MILLION AND THREE HUNDRED FIFTEEN THOUSAND AND 00/100 DOLLARS (\$39,315,000)]. The Series 2022B Bonds shall be issued in one series in the aggregate principal amount of \$[39,315,000]. The authorized denomination of Bonds authorized and issued under this Indenture is \$5,000, or any integral multiple of \$5,000 in excess thereof.

(b) The Series 2022B Bonds shall be dated [____ _], 2022, and shall bear interest from such date, payable semi-annually thereafter on July 1 and on January 1 in each year, commencing on January 1, 20__, at the rates shown below and shall mature on the dates and in the principal amounts shown below:

Series 2022B Bonds – Serial Bonds

<u>Due January</u>	<u>Amount</u>	<u>Interest</u>	<u>Yield</u>	<u>CUSIP</u>
<u>1</u>		<u>Rate</u>		

Series 2022B Bonds – Term Bonds

<u>Due January</u>		<u>Interest</u>			
<u>1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>	

Section 2.02. Purpose for Which Bonds May Be Issued. Except as set forth in Section 2.14 hereof with respect to Additional Bonds, the Bonds may be issued only for the purpose of providing funds to finance the Project.

Section 2.03. Installments, Interest Rates and Certain Other Provisions. The Bonds shall be issued in the form of fully registered Bonds without coupons having installments of principal and interest due at the times, and bearing interest, all as described in the applicable form of Bond with respect thereto. The Series 2022B Bonds shall be issued in the form set forth in the Form of Series 2022B Bond set forth as Exhibit A hereto. Any Series of Additional Bonds shall be issued in the form set forth in the Form of Bond attached to the Supplemental Indenture executed and delivered in connection with the issuance of such Additional Bonds. The Bonds shall be payable at the places and in the manner set forth in said Form of Bond. Notwithstanding anything contained in this Indenture to the contrary, interest on Bonds due on any Debt Service Payment Date shall be payable to the Person in whose name such Bond is registered at the close of business on the Record Date with respect to such Debt Service Payment Date, irrespective of any transfer or exchange of such Bond subsequent to such Record Date and prior to such Debt Service Payment Date, unless the Issuer shall default in the payment of interest due on such Debt Service Payment Date. In the event of any such default, such defaulted

interest shall be payable to the Person in whose name such Bond is registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by or on behalf of the Issuer to the Owners of Bonds not less than fifteen (15) days preceding such special record date. Such notices shall be mailed to the Persons in whose name the Bonds are registered at the close of business on the fifth (5th) day preceding the date of mailing. Payment of interest on the Bonds will be made by (i) check mailed to the registered address of the Person entitled thereto, or (ii) by wire transfer on any Owner of at least \$500,000 in aggregate principal amount of Bonds, upon written notice provided by the Owner to the Trustee not later than five (5) days prior to the Record Date for such Debt Service Payment Date.

Section 2.04. Execution; No Recourse; Special Obligations.

(a) The Bonds shall be executed in the name of and on behalf of the Issuer by the manual or facsimile signature of its Chair, Vice Chair, or Executive Director. Each such facsimile signature shall have the same force and effect as if manually signed. In case any officer whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature shall nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery; and any Bond may be signed on behalf of the Issuer, manually or in facsimile, by the person who, on the date of execution of such Bond, shall be the proper officer of the Issuer, although on the date of execution of this Indenture such person was not such officer.

(b) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Issuer Documents and in the other documents and instruments connected therewith shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, agent or employee of the Issuer in his individual capacity, and no recourse under or upon any obligation, covenant or agreements contained in the Issuer Documents and the Bonds or otherwise based upon or in respect to the Issuer Documents and the Bonds or any documents supplemental hereto or thereto, or for any of the Bonds or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, officer, agent or employee, as such, of the Issuer, or of any successor public benefit corporation or political subdivision, or any person executing the Issuer Documents and the Bonds either directly or through the Issuer or any successor local development corporation, public benefit corporation or political subdivision, it being expressly understood that the Issuer Documents and the Bonds are solely special obligations, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by, any such member, officer, agent or employee of the Issuer or of any such successor local development corporation, public benefit corporation or political subdivision, or any person executing the Bonds, because of the creation of the indebtedness authorized thereby, or under or by reason of the obligations, covenants or agreements contained in the Issuer Documents or in any of the Series 2022B Bonds or implied therefrom, and that any and all such personal liability of, and any and all such rights and claims against, every such member, officer, agent or employee because of the indebtedness authorized hereby, or under or by reason of the obligations, covenants or agreements contained in the Issuer Documents or in any of the Series 2022B Bonds or implied therefrom are, to the extent permitted by law, expressly

waived and released as a condition of, and as a consideration for, the execution of the Issuer Documents and the issuance of the Bonds.

(c) The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State or any municipality or subdivision thereof (including Westchester County), and neither the State nor any municipality or political subdivision thereof (including Westchester County) shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the amounts derived and to be derived under the Loan Agreement.

Section 2.05. Authentication. No Series 2022B Bond shall be valid for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Series 2022B Bond a Certificate of Authentication, duly executed by the Trustee, substantially in the form set forth in the Form of Series 2022B Bonds included herein as Exhibit A. No Series of Additional Bonds shall be valid for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Additional Bond a Certificate of Authentication, duly executed by the Trustee, substantially in the form set forth in the Form of Bonds included as Exhibit A to the Supplemental Indenture executed and delivered in connection with the issuance of such Series of Additional Bonds. Such executed Certificate of Authentication by the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the Certificate of Authentication on all of the Bonds issued hereunder.

Section 2.06. Form of Bonds. All Series 2022B Bonds issued under this Indenture, the Trustee's Certificate of Authentication and the provisions for assignment endorsed thereon shall be substantially in the form set forth as Exhibit A attached hereto, or, with respect to Additional Bonds, in the form attached to the Supplemental Indenture executed and delivered in connection with such Additional Bonds with such appropriate variations, omissions and insertions as are permitted or required by this Indenture, and may have such letters, numbers or other marks of identification and such legends and endorsements placed thereon as may be required to comply with any applicable laws, rules or regulations.

Section 2.07. Authorization and Preparation of Bonds. Definitive Bonds shall be prepared, executed and delivered to the Trustee.

Section 2.08. Delivery of Series 2022B Bonds.

(a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Series 2022B Bonds to the Trustee, and the Trustee shall authenticate the Series 2022B Bonds and deliver them to the Owners in accordance with the directions of the Issuer and the provisions of this Section 2.08.

(b) Prior to or simultaneously with the delivery by the Trustee of any of the Series 2022B Bonds or any Series of Additional Bonds, there shall be filed with the Trustee and the Issuer at least:

- (i) Original executed counterparts of each of the Bond Documents;
- (ii) A certified copy of the resolution duly adopted by the Board of Directors of the Institution authorizing the execution and delivery of the Institution Documents;
- (iii) A copy, duly certified by the Secretary of the Issuer, of the resolution or resolutions adopted by the Issuer authorizing the execution and delivery of the Issuer Documents and the issuance, execution, sale and delivery of the applicable Series of Bonds;
- (iv) Opinions of counsel for the Institution, in form satisfactory to the Issuer and the Underwriter, stating that, among other things, in the opinion of counsel for the Institution, each of the Institution Documents have been duly authorized by and lawfully executed and delivered on behalf of the Institution, are in full force and effect and are valid and binding upon the Institution, in accordance with their terms, except to the extent limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights and that the Institution is an Exempt Organization;
- (v) An opinion of counsel for the Issuer stating that, among other things, in the opinion of such counsel, each of the Bond Documents to which the Issuer is a party, has been duly authorized by and lawfully executed and delivered on behalf of the Issuer, is in full force and effect and is valid and binding upon the Issuer in accordance with its terms, and that this Indenture creates any lien which it purports to create;
- (vi) An opinion or opinions of Bond Counsel stating that, among other things, in the opinion of such Bond Counsel (A) the Issuer is duly authorized and entitled to issue the applicable Series of Bonds, (B) the applicable Series of Bonds has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding special obligation of the Issuer, and (C) under existing law, the interest on the Tax-Exempt Bonds is excluded from gross income for Federal income tax purposes and exempt from personal income taxes imposed by the State and any political subdivision thereof, except under certain conditions to be more fully expressed in such opinion;
- (vii) An authorization to the Trustee, signed by an Authorized Representative of the Issuer, to authenticate and deliver the Bonds to the Owners; and

(viii) A rating letter from each Rating Agency, if any, issuing a rating on the applicable Series of Bonds.

Section 2.09. Mutilated, Lost, Stolen or Destroyed Bonds.

(a) In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and, upon its request, the Trustee shall authenticate and deliver, a new Bond of like maturity, series, interest rate and principal amount and bearing the same number (or such number as the Trustee shall permit) as the mutilated, destroyed, lost or stolen Bond, in exchange for the mutilated Bond, or in substitution for the Bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) such security or indemnity as may be required by them to hold each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including counsel fees, of the Issuer or the Trustee. In case any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee such security or indemnity as they may require to hold them harmless and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

(b) Every new Bond issued pursuant to the provisions of this Section 2.09 shall constitute an additional contractual, special obligation of the Issuer (whether or not the destroyed, lost or stolen Bond shall be found at any time after the issuance of such new Bonds, in which case the destroyed, lost or stolen Bond shall be void and unenforceable) and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued under this Indenture.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section 2.09 are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or hereinafter enacted to the contrary.

Section 2.10. Negotiability of Bonds and Registration Books.

(a) All Series of Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration and transfer contained in this Indenture and in such Series of Bonds.

(b) So long as any Series of Bonds shall remain Outstanding, the Issuer shall maintain, at the Office of the Trustee, books for the registration and transfer of such Series of Bonds. The Trustee is hereby appointed Bond Registrar for the Issuer for the purpose of registering and making transfers on such registration books for each Series of Bonds issued hereunder. By executing this Indenture, the Trustee accepts the duties and obligations of Bond Registrar for the Issuer. The Trustee, as Bond Registrar, shall register

in such books and permit to be transferred thereon, under such reasonable regulations as the Trustee may prescribe, any Series of Bonds entitled to registration or transfer.

Section 2.11. Transfer of Bonds.

(a) Each Bond shall be transferable only on the books of the Issuer and upon surrender of the Bond, at the Office of the Trustee, together with a written instrument of transfer, satisfactory to the Trustee, duly executed by the registered owner or his attorney duly authorized in writing. Upon the transfer of any registered Bond, the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of the same Series, aggregate principal amount and maturity and rate of interest as the surrendered Bond.

(b) The Issuer, the Trustee and any Paying Agent may deem and treat the Person in whose name any Bond shall be registered upon the books of the Issuer as the absolute owner thereof, whether such Bond shall be overdue or not for the purpose of receiving payment of the principal of or Redemption Price and, except as otherwise provided in Section 2.03 hereof, interest on such Bond and for all other purposes. All such payments so made to any such registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Bond to the extent of the sum or sums so paid. Neither the Issuer, the Trustee nor any Paying Agent shall be affected by any notice to the contrary.

Section 2.12. Regulations with Respect to Exchanges and Transfers.

(a) In all cases in which the privilege of exchanging or transferring the Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver the Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any exchanges or transfers shall forthwith be canceled in accordance with the provisions of Section 5.12 hereof. For every exchange or transfer of the Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for (i) any tax, fee or other governmental charge required to be paid with respect to the delivery of definitive Bonds in exchange for temporary Bonds, (ii) the cost of preparing each new Bond, and (iii) any other expenses of the Issuer or the Trustee incurred in connection therewith.

(b) Neither the Issuer nor the Trustee shall be obligated to exchange or transfer any Bond during the ten (10) days next preceding (i) a Debt Service Payment Date, or (ii) in the case of any proposed redemption of Bonds, the date of the first mailing of notice of such redemption.

Section 2.13. Book-Entry Bonds.

(a) Except as provided in Section 2.13(c) or in a Supplemental Indenture with respect to any Series of Additional Bonds, the Holder of all of the Bonds shall be DTC (the “**Securities Depository**”) and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest for any Bonds 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 Debt Service Payment Date for the 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

Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, Redemption Price of, and interest on, the Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the Beneficial Owners as described in Section 2.13(c).

(b) The Bonds shall be initially issued in the form of a separate single authenticated fully registered certificate for each Series and maturity thereof. Upon initial issuance, the ownership of such 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 Bonds registered in its name for the purposes of payment of the principal of, Redemption Price of or interest on the Bonds, selecting the 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 Bonds, obtaining any consent or other action to be taken by Holders of the 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 Bonds shall be made and given, respectively, to DTC as provided in the DTC Letter of Representation. 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 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 of, Redemption Price of or interest on the Bonds; any notice that is permitted or required to be given to Bondholders under this Indenture or any other Bond Documents; the selection by DTC or any Participant of any Person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as Bondholder. The Trustee shall pay all principal of, Redemption Price of, and interest on the 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 of, Redemption Price of, and interest on the Bonds to the extent of the sum or sums so paid. Except as otherwise provided in Section 2.13(c) or in a Supplemental Indenture with respect to a Series of Additional Bonds, no Person other than DTC shall receive an authenticated Bond certificate evidencing the obligation of the Issuer to make payments of principal of, Redemption Price of, and interest 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 Bond certificates, the Issuer may notify DTC and the Trustee in writing, whereupon DTC will notify the Participants, of the availability through DTC of Bond

certificates. In such event, the Trustee shall issue, transfer and exchange Bond certificates as requested by DTC in writing in appropriate amounts within the guidelines set forth in this Indenture. DTC may determine to discontinue providing its services with respect to the 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 Bond certificates as described in this Indenture. In the event 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 of, Redemption Price of, and interest on such certificates. Whenever DTC requests the Issuer and the Trustee to do so in writing, 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 Bonds to any DTC Participant having Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

(d) In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture or any other Bond Document by the Issuer or the Trustee with respect to any consent or other action to be taken by Bondholders, the Issuer or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Such notice to DTC shall be given only when DTC is the sole Bondholder.

(e) NONE OF THE ISSUER, THE INSTITUTION OR THE TRUSTEE WILL HAVE ANY RESPONSIBILITIES OR OBLIGATIONS TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT, REDEMPTION PRICE OF OR INTEREST ON THE 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 THE 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 BONDS.

(f) SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS OR REGISTERED HOLDERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

(g) For so long as the Holder of all of the Bonds shall be DTC, and all Bonds shall be registered in the name of Cede & Co. as nominee for DTC, (i) only DTC may tender Bonds upon redemption or retirement in whole and (ii) unless all Bonds are being redeemed or retired in whole, Bonds shall not be required to be presented to the Trustee for payment of principal of, 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 “**1934 Act**”), 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 1934 Act, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of a Bond or Bonds to the successor Securities Depository in appropriate authorized denominations and form as provided herein.

Section 2.14. Additional Bonds. (a) So long as this Indenture is in effect, one or more Series of Additional Bonds may be issued, authenticated and delivered upon original issuance for the purpose of (i) financing additional costs with respect to 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, renovations, equipment, improvements or facilities to the Facility, (iv) refunding Outstanding Bonds or other Indebtedness of the Institution, or (v) refunding any other Indebtedness or bonds for which the Institution is the primary obligor, or for which the Institution is responsible for paying the debt service payments in connection therewith, or which the Institution has guaranteed (including, without limitation, any other debt issued under the Master Indenture). Such Additional Bonds shall be payable from the amounts payable under the Loan Agreement. Prior to the issuance of a Series of Additional Bonds and the execution of a Supplemental Indenture in connection therewith, the Issuer and the Institution shall enter into an amendment to the Loan Agreement or a new loan agreement (either such option, a “**New Loan Agreement**”) providing, among other things, that the payments payable under the New Loan Agreement shall be computed so as to amortize in full the principal of and interest on such Additional Bonds and any other costs in connection therewith.

(b) Each such Series of Additional Bonds shall be deposited with the Bond Registrar and thereupon shall be authenticated by the Authenticating Agent. Upon payment to the Trustee of the proceeds of sale of the Additional Bonds, they shall be delivered by the Bond Registrar at the direction of the Trustee to or upon the order of the purchaser or purchasers thereof, but only upon receipt by the Trustee of:

(i) a copy of the resolution, duly certified by the Chair, Vice Chair, or Executive Director, of the Issuer, authorizing, issuing and awarding the Additional Bonds to the purchaser or purchasers thereof and providing the terms thereof and authorizing the execution of any Supplemental Indenture and the New Loan Agreement;

(ii) original executed counterparts of the Supplemental Indenture and the New Loan Agreement, expressly providing that, to the extent applicable, for all purposes of the Supplemental Indenture and the New Loan Agreement, the project referred to therein and the premises financed or refinanced thereunder shall include the buildings, structures,

improvements, machinery, equipment or other facilities being financed, and the Bonds referred to therein shall mean and include the Additional Bonds being issued as well as the Series 2022B Bonds now being issued and any Additional Bonds theretofore issued;

(iii) a written opinion of Bond Counsel, to the effect that the issuance of the Additional Bonds and the execution thereof have been duly authorized and that all conditions precedent to the delivery thereof have been fulfilled;

(iv) a certificate of an Authorized Representative of the Institution to the effect that each Bond Document, as amended, 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;

(v) an original, executed counterpart of the amendment to each Bond Document with respect to such Additional Bonds;

(vi) a written order to the Trustee executed by an Authorized Representative of the Issuer to authenticate and deliver the 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; and

(vii) certificate of the Chief Financial Officer of the Institution evidencing that the issuance of such Series of Additional Bonds complies with Section 8.13 of the Loan Agreement.

(c) (i) Upon the request of the Institution, one or more Series of Additional Bonds may be authenticated and delivered upon original issuance to refund (“**Refunding Bonds**”) all Outstanding Bonds or any part of Outstanding Bonds. 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 Refunding Bonds. In the case of the refunding under this Section 2.14 of less than all Bonds Outstanding, the Trustee shall proceed to select such Bonds in accordance with Section 3.03 hereof.

(ii) Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by it of the documents required by Section 2.14(b) hereof, as may be applicable) of:

(A) Irrevocable written instructions from the Issuer to the Trustee, at least forty-five (45) days prior to the Redemption Date, satisfactory to the Trustee, to give due notice of redemption pursuant to Section 3.02 hereof to the Holders of all the Outstanding Bonds to be refunded prior to maturity on the Redemption Date specified in such instructions;

(B) Either:

- (1) moneys in an amount sufficient to effect payment at maturity or upon redemption at the applicable Redemption Price, 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, which moneys shall be held in trust and used as provided in Section 7.01 hereof, or
- (2) Government 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 Section 7.01 hereof, 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 Government Obligations and moneys shall be held in trust and used only as provided in said Section 7.01.

(iii) The Institution shall furnish to the Trustee and the Issuer at the time of delivery of the Series of Refunding Bonds a verification from a verification agent (in each case reasonably satisfactory to the Issuer) 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 Government Obligations and moneys required to effect such payment at maturity or earlier redemption.

(d) Each Series of Additional Bonds issued pursuant to this Section shall be equally and ratably secured under this Indenture with the Series 2022B 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) Notwithstanding anything herein to the contrary, no Series of Additional Bonds shall be issued unless: (i) at the time of issuance of such Series of Additional Bonds and after the application of proceeds thereof, there is no Event of Default under any Bond Document; (ii) the Loan Agreement is in effect and at the time of issuance there is no Event of Default under any such document nor any event which upon notice or lapse of time or both would become such an Event of Default; and (iii) the Rating Agency, if any, has confirmed in writing that the issuance of such Additional Bonds will not result in a reduction or withdrawal of the then current rating on the Bonds Outstanding.

(f) The Supplemental Indenture providing for the issuance of any Series of Additional Bonds shall contain applicable provisions for the payment of principal of, Redemption Price of, and interest on such Series of Additional Bonds including any interest rate modes applicable to such Series of Additional Bonds, redemption provisions applicable to such Series of Additional Bonds, such Funds, Accounts or subaccounts to be created or held by the Trustee under Article IV hereof with respect to such Series of

Additional Bonds, collateral and security (including credit facilities securing such Series of Additional Bonds) and such other terms and provisions as the Issuer may determine are necessary in connection with the issuance of such Additional Bonds.

ARTICLE III

REDEMPTION OF SERIES 2022B Bonds BEFORE MATURITY

Section 3.01. Redemption Dates and Prices.

(a) The Series 2022B Bonds shall be subject to redemption prior to the respective maturities thereof on the terms and at the prices set forth in subsections (b), (c), (d) and (f) of this Section 3.01.

(b) The Series 2022B Bonds maturing on or after [January 1, 20__], are subject to redemption by the Issuer, at the option of the Institution, on or after [January 1, 20__], in whole or in part at any time, at the Redemption Price (expressed as percentages of principal amount) set forth in the following table plus accrued interest to the Redemption Date:

Redemption Dates

Redemption Prices

The Institution may direct such prepayment only if it shall prepay an amount under the Loan Agreement equal to the amount of the prepayment price described above.

(c) The Series 2022B Bonds are subject to redemption in whole or in part at any time, without premium or penalty, at a Redemption Price equal to 100% of the principal amount of the Series 2022B Bonds to be prepaid plus interest accrued thereon to the Redemption Date, upon the occurrence of any of the following events:

(i) insurance or condemnation proceeds of \$25,000 or more resulting from any damage, destruction, casualty loss or condemnation with respect to the Facility shall be on deposit in the Bond Fund pursuant to Section 7.1(a)(iii) or 7.2(a)(iii)(B) of the Loan Agreement; or

(ii) excess Bond Proceeds of \$25,000 or more shall be transferred to the Bond Fund pursuant to Section 4.04(c) hereof.

(d) (i) The Series 2022B Bonds maturing on January 1, [] are subject to mandatory redemption in part commencing on January 1, [] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022B Bonds are set forth in the following table:

<u>Sinking Fund</u>	<u>Amount</u>
<u>Payment Date</u>	
<u>January 1</u>	
[]	\$()
[]	[]
[]	[]
[]	[]
[]	[]*
	<u>\$()</u>

*Final Maturity

(ii) The Series 2022B Bonds maturing on January 1, [] are subject to mandatory redemption in part commencing on January 1, [] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022B Bonds are set forth in the following table:

<u>Sinking Fund</u>	<u>Amount</u>
<u>Payment Date</u>	
<u>January 1</u>	
[]	\$()
[]	[]
[]	[]
[]	[]
[]	[]*
<u>TOTAL</u>	<u>\$()</u>

*Final Maturity

(iii) The Series 2022B Bonds maturing on January 1, [] are subject to mandatory redemption in part commencing on January 1, [] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022B Bonds are set forth in the following table:

<u>Sinking Fund</u>	<u>Amount</u>
<u>Payment Date</u>	
<u>January 1</u>	
[]	\$[]
[]	[]
[]	[]
[]	[]
[]	[]*
<u>TOTAL</u>	\$[]
*Final Maturity	

(e) The Institution shall have the option to cause any Series 2022B Bonds to be purchased by the Institution, or its designee, in lieu of redemption pursuant to Section 3.01(b) hereof. Such option may be exercised by delivery to the Trustee of a written notice of the Institution specifying that the Series 2022B Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to the Indenture, such notice to be given at least three (3) Business Days prior to the first date by which notice of redemption may be given for the applicable redemption date. Upon delivery of such notice, the Series 2022B Bonds shall not be redeemed but shall be purchased at a price equal to the redemption price specified above, and if so purchased, the Series 2022B Bonds shall continue to be Outstanding under the Indenture for all purposes and shall continue to be subject to optional redemption as provided herein. Such purchase shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Series 2022B Bonds for federal tax purposes.

(f) The Series 2022B Bonds shall be redeemed in whole as soon as practicable after the occurrence of an Event of Taxability and the receipt by the Trustee of written notice from any Owner or the Institution of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date the Trustee is notified of an Event of Taxability pursuant to this subsection) at a Redemption Price equal to 103% of the principal amount thereof plus accrued interest thereon to the Redemption Date if such Event of Taxability results from any action or failure to take action by the Institution, and otherwise at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

(g) Any Series of Additional Bonds shall be subject to redemption prior to the maturity thereof on the terms and at the prices set forth in the Supplemental Indenture executed and delivered in connection with such Additional Bonds.

Section 3.02. Notice of Redemption.

(a) The Trustee shall call Series 2022B Bonds for redemption as provided in subsections (b) or (c) of Section 3.01 hereof upon receipt of notice from the Issuer or the Institution directing such redemption, which notice shall be sent to the Trustee at least forty-five (45) days prior to the Redemption Date specified in such notice and shall specify

(i) the principal amount of Series 2022B Bonds and their maturities so to be called for redemption, (ii) the applicable Redemption Price, and (iii) the provision or provisions of Section 3.01 hereof pursuant to which such Series 2022B Bonds are to be called for redemption. The Trustee shall call the Series 2022B Bonds for redemption as provided in Section 3.01(d) hereof for the applicable Sinking Fund Payment dates without need for direction from the Institution or the Issuer.

(b) When the Series 2022B Bonds are to be redeemed pursuant to Section 3.01 hereof, the Trustee shall give notice of the redemption of the Series 2022B Bonds in the name of the Issuer stating: (i) the Series 2022B Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2022B Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2022B Bond to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue. Any notice of redemption may be conditioned on sufficient funds being on deposit with the Trustee on the Redemption Date to effect such redemption and if sufficient funds are not on deposit, the redemption shall be rescinded and be of no further force and effect.

(c) Notice required by subsection (b) of this Section 3.02 shall be given by mail at least twenty (20) days and not more than sixty (60) days prior to said redemption to the Owner of each Series 2022B Bond to be redeemed at the address shown on the registration books; but failure to give such notice by mail, or any defect therein, shall not affect the validity of any proceeding for the redemption of the Series 2022B Bonds.

Section 3.03. Payment of Redeemed Bonds.

(a) After notice shall have been given in the manner provided in Section 3.02 hereof, the Series 2022B Bonds or portions thereof called for redemption shall become due and payable on the Redemption Date so designated. Upon presentation and surrender of such Series 2022B Bonds at the Office of the Trustee, such Series 2022B Bonds shall be paid at the Redemption Price, plus accrued interest to the Redemption Date.

(b) If, on the Redemption Date, moneys for the redemption of all the Series 2022B Bonds or portions thereof to be redeemed, together with interest thereon to the Redemption Date, shall be held by the Trustee so as to be available therefor on such date, the Series 2022B Bonds or portions thereof so called for redemption shall cease to bear interest, and such Series 2022B Bonds or portions thereof shall no longer be Outstanding hereunder or be secured by or be entitled to the benefits of this Indenture except with respect to payment of the Redemption Price thereof and accrued interest thereon to the Redemption Date. If such moneys shall not be so available on the Redemption Date, such Series 2022B 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 and shall continue to be secured by and be entitled to the benefits of this Indenture.

(c) In the event that redemption of the Series 2022B Bonds is made in an amount less than the amount of all Series 2022B Bonds having the same maturity, all Series 2022B Bonds having the same maturity shall be redeemed by lot. In the event of the

redemption of less than all of the Series 2022B Bonds stated to mature on different dates, the principal amount of such Series 2022B Bonds to be redeemed shall be selected by the Institution in writing to the Trustee or, if no such selection is made, shall be applied in inverse order of maturity of the Outstanding Series 2022B Bonds to be redeemed and by lot within a maturity.

ARTICLE IV FUNDS, REVENUES, BOND PROCEEDS AND APPLICATION THEREOF

Section 4.01. Establishment of Funds. The following trust funds are hereby established with the Trustee and shall be held, maintained and administered by the Trustee on behalf of the Issuer in accordance with this Indenture:

(a) Westchester County Local Development Corporation Bond Fund – Kendal on Hudson (the “**Bond Fund**”), and within such Bond Fund, an “Interest Account” and a “Principal Account” and within such Interest Account and Principal Account, a Subaccount for the Series 2022B Bonds and each Series of Additional Bonds issued hereunder.

(b) Westchester County Local Development Corporation Project Fund – Kendal on Hudson (the “**Project Fund**”), and within such Project Fund, a “Series 2022B Project Account”.

(c) Westchester County Local Development Corporation Rebate Fund – Kendal on Hudson (the “**Rebate Fund**”) and within such Rebate Fund, an Account for the Series 2022B Bonds and each Series of Additional Bonds issued hereunder.

(d) Upon the issuance of any Series of Additional Bonds pursuant to Section 2.14 hereof, the Supplemental Indenture entered into with such Series of Additional Bonds shall create such Funds and Accounts and/or Subaccounts within any Account with respect to such Series of Bonds.

Section 4.02. Application of Bond Proceeds and Allocation Thereof.

(a) Upon the receipt of the Bond Proceeds of the Series 2022B Bonds in the amount of \$[] (equal to the aggregate principal amount of the Series 2022B Bonds, \$[39,315,000], plus the net premium in the amount of \$[], and less the Underwriter’s discount in the amount of \$[]), the Issuer shall pay the Trustee the Bond Proceeds of such Series 2022B Bonds for deposit into the Series 2022B Project Account of the Project Fund to pay Costs of the Project.

(b) Proceeds of any Additional Bonds shall be applied in accordance with the Supplemental Indenture related to such Additional Bonds.

Section 4.03. Moneys to Be Held in Trust. All moneys deposited with, paid to or received by the Trustee for the accounts of the Issuer (other than amounts deposited in the Rebate Fund) shall be held by the Trustee in trust, and shall be subject to the lien of

this Indenture and held for the security of the Owners of the particular Series of Bonds until paid in full; provided, however, that moneys which have been deposited with, paid to or received by the Trustee (i) for the redemption of a portion of the particular Series of Bonds, notice of the redemption of which has been given, or (ii) for the payment of the particular Series of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, shall be held in trust for and subject to a lien in favor of only the Owners of such Series of Bonds so called for redemption or so due and payable.

Section 4.04. Use of the Moneys in Project Fund.

(a) Moneys in the Project Fund shall be applied and expended by the Trustee in accordance with the provisions of this Section and of the Loan Agreement and particularly Section 4.3 thereof. On the Closing Date, an amount equal to \$[] shall be transferred by the Trustee from the Series 2022B Project Account of the Project Fund to the Series 2013 Trustee for redemption of the Series 2013 Bonds pursuant to a written direction with respect thereto received by the Trustee from Institution on or before such date.

(b) Except as otherwise provided in paragraph (a) immediately above, the Trustee is hereby directed to issue its checks or send its wires for each disbursement from the Accounts of the Project Fund upon being furnished with a written requisition therefor certified by an Authorized Representative of the Institution substantially in the form of Exhibit B annexed hereto, upon which the Trustee may conclusively rely without investigation. The Trustee shall maintain adequate records pertaining to the Project Fund and all disbursements therefrom.

(c) Any balance remaining in the Accounts of the Project Fund on [DATE], except amounts that the Institution shall have directed the Trustee, in writing, to retain for any Costs of the Project not then due and payable, and after the making of any transfer to the Rebate Fund that the Institution shall have directed the Trustee, in writing, to make as required by the Tax Regulatory Agreement and Section 4.09 hereof, shall without further authorization be transferred to the applicable corresponding Subaccounts of the Accounts of the Bond Fund and thereafter applied as provided in Section 4.06(d) hereof.

(d) Within sixty (60) days after transfer of the balance in the Project Fund to the Bond Fund, to the extent it has not already done so, the Trustee shall file an accounting thereof with the Issuer and the Institution.

(e) All earnings, if any, on amounts held in the Project Fund shall be retained in the respective Account of the Project Fund until the transfer of any balance remaining in the Accounts of the Project Fund pursuant to paragraph (c) above. Any transfers by the Trustee of amounts to the Rebate Fund (only at the written direction of the Institution) shall be drawn by the Trustee from the Project Fund.

(f) If an Event of Default hereunder shall have occurred and the outstanding principal amount of the Bonds shall have been declared due and payable, the entire balance remaining in the Project Fund, after making any transfer to the Rebate Fund directed to be made by the Institution pursuant to the Tax Regulatory Agreement and Section 4.09 hereof,

shall be transferred to the corresponding applicable Subaccounts of the Accounts of the Bond Fund and applied as provided in Section 8.05 hereof.

Section 4.05. Payments into Bond Fund. There shall be deposited in the Subaccounts of the Accounts of the Bond Fund, as and when received (a) all payments received by the Trustee under Section 5.3(a) of the Loan Agreement or any similar provision in the New Loan Agreement with respect to the payment of debt service on any Series of Additional Bonds; (b) the amount of net income or gain received from the investments of moneys in the Bond Fund and all Funds and Accounts (other than the Rebate Fund) held under this Indenture after the date of the transfer required by Section 4.04(d) hereof; (c) the Net Proceeds derived from insurance proceeds or Condemnation awards to be used to redeem the Bonds pursuant to 7.1(a)(iii) and 7.2(a)(iii)(B), respectively, of the Loan Agreement; and (d) all other moneys received by the Trustee pursuant to any of the provisions of the Loan Agreement or this Indenture and designated for deposit in the Bond Fund.

Section 4.06. Use of Moneys in Bond Fund.

(a) Except as otherwise expressly provided in this Indenture, moneys in the Subaccounts of the Accounts of the Bond Fund shall be used solely for the payment, when due, of the Debt Service Payments on the related Bonds or for the purchase or redemption of related Bonds as hereinafter provided. Moneys deposited in the Subaccounts of the Accounts of the Bond Fund in accordance with the provisions of Section 4.04(c) of this Indenture, however, may not be used for the payment of interest on the related Bonds.

(b) The Trustee shall, on or before each Debt Service Payment Date, pay out of the monies then held for the credit of the applicable Subaccount of the Interest Account the amounts required for the payment of interest becoming due on the respective series of Bonds on such Debt Service Payment Date, and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of interest.

(c) The Trustee shall, on or before each Debt Service Payment Date, when principal of the Bonds or Sinking Fund Payments are due, pay out of the monies then held for the credit of the Subaccounts of the Principal Account the amounts required for the payment of principal or Sinking Fund Payments becoming due at maturity, on a Sinking Fund Payment Date, or upon redemption of the respective Series of Bonds on such Debt Service Payment Date or Sinking Fund Payment Date and such amounts so withdrawn are hereby irrevocably dedicated for and shall be applied to the payment of principal or Sinking Fund Payments.

(d) Except as provided in the Tax Regulatory Agreement, moneys transferred to the corresponding Subaccounts of the Accounts of the Bond Fund from the Series 2022B Account of the Project Fund or another other Account of the Project Fund established in connection with another Series of Tax-Exempt Bonds pursuant to Section 4.04(c) hereof shall be invested, at the written direction of the Institution, with yield not in excess of the yield on the applicable Series of Tax-Exempt Bonds, or in investments that are tax-exempt obligations as described in Section 148(b)(3) of the Code, and such moneys and earnings thereon shall be applied only to pay the principal of the applicable Series of Tax-Exempt Bonds as they become due and payable or the

Redemption Price of Bonds subject to redemption pursuant to Section 3.01 hereof (including by operation Sinking Fund Payments). For the avoidance of doubt, proceeds of the Series 2022B Bonds transferred pursuant to this Section 4.06(d) may only be used to pay the principal or Redemption Price of the Series 2022B Bonds.

(e) Reserved.

(f) The Trustee shall call Bonds for redemption according to Article III hereof, upon written direction of the Issuer or the Institution to the Trustee, on or after the date the Bonds are subject to optional redemption pursuant to Section 3.01(b) hereof or pursuant to the relevant provisions of a Supplemental Indenture with respect to a Series of Additional Bonds, whenever the assets of the Bond Fund shall be sufficient in the aggregate to provide monies to pay, redeem or retire all the Bonds then Outstanding or to redeem the Bonds in part pursuant to Section 3.01(b) hereof or pursuant to the relevant provisions of a Supplemental Indenture with respect to a Series of Additional Bonds, including accrued interest thereon to the Redemption Date.

(g) Moneys in the Subaccounts of the Accounts of the Bond Fund shall be used by the Trustee, upon written direction of an Authorized Representative of the Institution, to purchase related Bonds, provided that no such purchase shall be made:

(i) if an Event of Default under the Loan Agreement has occurred and remains uncured in accordance with the terms set forth therein;

(ii) within forty-five (45) days prior to any date on which Bonds are subject to redemption pursuant to Section 3.01 of this Indenture or the relevant provisions of a Supplemental Indenture;

(iii) if the amount remaining in the Bond Fund, after giving effect to such purchase, is less than the amount required for the payment of the principal or Redemption Price of the Bonds theretofore matured or called for redemption, plus interest to the date of maturity or the Redemption Date, as the case may be, in all cases where such Bonds have not been presented for payment; or

(iv) at a price in excess of that specified by the Institution in its direction to the Trustee, plus accrued interest to the date of purchase.

Notwithstanding the foregoing, each such purchase described above shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

The Trustee shall promptly notify the Issuer and the Institution of the principal amount and the maturity of each Series of Bonds so purchased and the balance held in the Bond Fund after such purchase.

(h) In connection with the purchase of the Bonds with moneys on deposit in the Bond Fund as provided in Section 4.06(g) of this Indenture, the Trustee shall negotiate or arrange for such purchases in such manner (through brokers or otherwise and with or without receiving tenders) as it shall be instructed in writing by the Institution.

(i) If the balance in the Bond Fund, not otherwise required for scheduled payments of principal of, Redemption Price or interest on the Bonds, forty-five (45) days prior to any date on which the Bonds are subject to redemption pursuant to Section 3.01(b) of this Indenture or the relevant provisions of a Supplemental Indenture equals or exceeds \$50,000, the Trustee shall, upon request of an Authorized Representative of the Institution, apply as much of such balance as can be so applied to the redemption of the Bonds on such next succeeding Redemption Date in the manner provided in Section 3.01 hereof or the relevant provisions of a Supplemental Indenture. The Trustee shall promptly notify the Issuer and the Institution of the principal amount and maturity of each Bond so redeemed and the balance held in the Bond Fund after such redemption.

(j) Whenever the amount in the respective Account or Subaccount in the Bond Fund is sufficient to redeem all of the Outstanding Bonds or any Series of Bonds and to pay accrued interest to maturity or the date of redemption, the Trustee shall, upon request of an Authorized Representative of the Institution, take and cause to be taken the necessary steps to redeem all such Bonds or Series of Bonds on the next succeeding Redemption Date for which the required redemption notice may be given or on such later Redemption Date as may be specified in writing by the Institution.

Section 4.07. Reserved.

Section 4.08. Investment Earnings on Funds; Application of Investment Earnings on Funds.

(a) All investment income or earnings on amounts held in the Accounts of the Project Fund, the Subaccounts of the Accounts of the Bond Fund or any other special fund held under any of the Bond Documents (other than the Rebate Fund) prior to the date of the transfer required by Section 4.04(d) hereof shall be deposited upon receipt by the Trustee into the corresponding related Account of the Project Fund and used for the purposes set forth in Section 4.04 hereof and after the date of such transfer shall be used to pay any remaining sums due for Costs of the Project not previously paid, or deposited by the Trustee into the corresponding related Subaccount of the Interest Account of the Bond Fund and used to pay the interest component of the next upcoming Debt Service Payment. The Trustee shall keep separate accounts of all investment earnings from each Fund and Account hereunder to indicate the source of the income or earnings, which may be in the form of the Trustee's regular corporate trust account statements.

(b) Within thirty (30) days after the end of each Computation Period, the Trustee, at the written direction of an Authorized Representative of the Institution, shall transfer to the Rebate Fund instead of the Project Fund or the Interest Account of the Bond Fund an amount of the investment earnings on the Funds and Accounts hereunder, such that the amount transferred to the Rebate Fund is equal to that amount as is set forth as the

Rebate Amount in a written certificate delivered by the Institution to the Trustee pursuant to the Tax Regulatory Agreement and this Indenture.

Section 4.09. 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 or any Owner of any Series of Bond or any other Person.

(b) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Representative of the Institution, shall transfer, from moneys in the Project Fund or from any other moneys paid under the Tax Regulatory Agreement, into the Rebate Fund, within thirty (30) days after the end of each Bond Year, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of the last day of the immediately preceding Bond Year. The amount deposited in the Rebate Fund pursuant to this paragraph shall be paid by the Institution pursuant to the Tax Regulatory Agreement.

(c) In the event that on the first day of any Bond Year the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Representative of the Institution, shall withdraw such excess amount and deposit it in the applicable Subaccounts of the Accounts of the Bond Fund for application to the payment of principal or interest on the Series 2022B Bonds.

(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 later than thirty (30) days after the last day of the fifth Bond Year and after every fifth Bond Year thereafter, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to ninety percent (90%) of the Rebate Amount with respect to the Series 2022B Bonds as of the date of such payment, and (ii) notwithstanding the provisions of Section 7.02 hereof, not later than thirty (30) days after the date on which all Series 2022B Bonds have been paid in full, one hundred (100%) percent of the Rebate Amount as of the date of payment.

(e) 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 the Institution to make such transfer.

Section 4.10. Investment of Moneys.

(a) Moneys held in any Fund established pursuant to Section 4.01 hereof shall be invested and reinvested by the Trustee in Authorized Investments, pursuant to written direction by an Authorized Representative of the Institution. Such investments shall mature in such amounts and have maturity dates or be subject to redemption at the option of the owners thereof on or prior to the date on which the amounts invested therein will be needed for the purposes of such Fund or Accounts. The Trustee may at any time sell or otherwise reduce to cash a sufficient amount of such investments whenever the cash balance in such Fund or Accounts is insufficient for the purposes thereof. Any such investments shall be held by or under control of the Trustee and shall be deemed at all

times a part of the Fund or the respective Account within a Fund or special trust account for which such moneys are invested, and the interest accruing thereon and any profit realized from such investment shall be credited to and held in and any loss shall be charged to the applicable fund.

(b) The Trustee may make any investment permitted by this Section through its own bond or investment banking department. The Trustee shall not be liable for any depreciation in the value of any investment made pursuant to this Section or for any loss arising from any such investment.

(c) Any investment herein authorized is subject to the condition that no use of the proceeds of any Tax-Exempt Bonds or of any other moneys shall be made which, if such use had been reasonably expected on the date of issue of such Tax-Exempt Bonds, would cause such Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of such quoted term in Section 148 of the Code. The Trustee shall not be liable if such use shall cause the Tax-Exempt Bonds to be “arbitrage bonds”, provided only that the Trustee shall have made such investment pursuant to the written direction or confirmation by an Authorized Representative of the Institution as provided in this Section.

(d) The Trustee shall, at the written direction of the Institution, sell, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Fund or Account for which such investment was made.

Section 4.11. Payment to Institution upon Payment of Bonds. Except as otherwise specifically provided herein, after payment in full of the principal or Redemption Price of and interest on all the Bonds (or after provision for the payment thereof has been made in accordance with Article VII of this Indenture) and after payment in full of the fees, charges and expenses of the Trustee and any Paying Agent (including without limitation attorneys’ fees and expenses) and all other amounts required to be paid hereunder, and the fees, charges and expenses of the Issuer and all other amounts required to be paid under the Loan Agreement, all amounts remaining in any fund established pursuant to Section 4.01 hereof with respect to the Bonds (except the Rebate Fund) or otherwise held by the Trustee and by any additional Paying Agent for the account of the Issuer or the Institution hereunder or under the Loan Agreement shall be paid to the Institution.

ARTICLE V

GENERAL COVENANTS AND PROVISIONS

Section 5.01. Authority of Issuer; Validity of Indenture and Series 2022B Bonds. The Issuer hereby represents and covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Series 2022B Bonds authorized hereby, to execute this Indenture and to pledge its interest in the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the issuance of the Series 2022B Bonds authorized hereby and the execution and delivery of this Indenture has been duly and effectively taken; and that such Series 2022B

Bonds in the hands of the Owners thereof are and will be valid and enforceable special obligations of the Issuer according to the import thereof.

Section 5.02. Performance of Covenants. The Issuer hereby covenants that it will faithfully observe and perform at all times any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in (a) any Series of Bonds executed, authenticated and delivered hereunder, and (b) the Issuer Documents. The Trustee hereby covenants that it will faithfully observe and perform any and all covenants, undertakings, stipulations and provisions expressly assigned to it in this Indenture and the Loan Agreement.

Section 5.03. Payment of Principal and Interest. Subject to the limitations contained in Section 2.04(b) and (c) hereof, the Issuer hereby covenants that it will promptly pay or cause to be paid the Debt Service Payments on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein. All Debt Service Payments on the Bonds shall be payable solely from the sources described in Section 2.04(c). Nothing in the Series 2022B Bonds or any Series of Additional Bonds or in this Indenture shall be construed as pledging any funds or assets of the Issuer other than those pledged or mortgaged hereby.

Section 5.04. Series 2022B Project Revenues. The Issuer hereby covenants that so long as any of the Bonds are Outstanding it will deposit or cause to be deposited with the Trustee for its account all amounts derived pursuant to the Issuer Documents (except moneys attributable to Unassigned Rights) or otherwise Payments on the Bonds as the same become due and payable.

Section 5.05. Priority of Lien of Indenture. The Issuer hereby covenants that this Indenture is a first lien, subject only to Permitted Liens, upon the Trust Estate, and the Issuer agrees not to create or suffer to be created any lien having priority or preference over the lien of this Indenture upon the Trust Estate or any part thereof, except as otherwise specifically provided in Article IX hereof.

Section 5.06. Enforcement of Duties and Obligations of Institution. The Issuer hereby covenants that, at the request of the Trustee, it shall take all legally available action to cause the Institution fully to perform all duties and acts and fully to comply with the covenants of the Institution required by the Loan Agreement in the manner and at the times provided in the Loan Agreement, provided that the Issuer shall be furnished by the Institution or the Bondholders with satisfactory security or indemnity for the reimbursement of all expenses and to protect it against all liability in connection with any such action.

Section 5.07. Filing of Financing Statements.

(a) The Issuer hereby covenants that it will cause the UCC Financing Statements to be recorded and filed, as the case may be, as required by law in order to create the lien of the Trustee and the security interests created in the Trust Estate.

(b) The Trustee hereby covenants that it will cause to be filed all continuation

statements under the Uniform Commercial Code of the State in such manner and in such places as may be required by law in order to protect and maintain in force the lien of the Trustee and the security interest created in the Trust Estate; provided that a copy of the filed initial financing statements are timely delivered to the Trustee. In addition, unless the Trustee shall have been notified in writing that any such initial filing or description of collateral was or has become defective, the Trustee shall be fully protected in (i) relying on such initial filing and description in filing any financing or continuation statements or modifications thereto pursuant to this Section and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Institution shall be responsible for the reasonable costs and expenses incurred by the Trustee in filing all continuation statements hereunder.

Section 5.08. Inspection of Project Books. The Issuer hereby covenants that all books and documents in its possession relating to the Project and the amounts payable under the Loan Agreement shall at all reasonable times be open to inspection by such accountants or other agents as the Trustee may from time to time designate.

Section 5.09. Rights Under Bond Documents. The Bond Documents, duly executed counterparts of which have been filed with the Trustee, set forth the covenants and obligations of the parties thereto. Reference is hereby made thereto for a detailed statement of the covenants, obligations and rights of the Institution, the Issuer and the other parties thereunder. The Issuer agrees that the Trustee, in its name or in the name of the Issuer, may enforce all rights of the Issuer and all obligations of the Institution under the Bond Documents for and on behalf of the Owners, whether or not an Event of Default exists hereunder. Nothing in this Section 5.09 shall permit any reduction in the payments required to be made by the Institution under or pursuant to the Bond Documents or any alteration in the terms of payment thereof. All covenants and agreements on the part of the Issuer shall be for the benefit of the Holders from time to time of the Bonds and may be enforced in the manner provided by Article VIII hereof on behalf of such Holders by the Trustee.

Section 5.10. List of Owners.

(a) The Trustee, as Bond Registrar, shall keep on file at the Office of the Trustee a list of the names and addresses of the Owners of all Bonds which, from time to time, may be registered on the registration books kept by the Trustee. The Issuer shall have no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Institution or by the Owners (or a designated representative thereof) of twenty-five percent (25%) or more in aggregate principal amount of Bonds Outstanding hereunder.

(b) Each Owner, by the purchase and acceptance of any Bond, consents to the disclosure of his name, address and the principal amount of the Bonds held by him and agrees that the Trustee shall not be held accountable for the disclosure of any such information.

Section 5.11. Failure to Present Bonds. Subject to the provisions of Section 2.09 hereof, in the event any Bond shall not be presented for payment when the principal or

Redemption Price thereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, if moneys sufficient to pay such Bond shall be held by the Trustee for the benefit of the Owner thereof, all liability of the Issuer to the Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged. Thereupon, the Trustee shall hold such moneys, without liability for interest thereon, for the benefit of the Owner of such Bonds, who shall thereafter be restricted exclusively to such moneys for any claim under this Indenture or on, or with respect to, said Bond. If any Bond shall not be presented for payment within the period of two (2) years following the date when such Bond becomes due, whether by maturity or call for prior redemption or otherwise, the Trustee shall return to the Institution the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitations, thereafter be an unsecured obligation of the Institution. The Trustee shall, at least sixty (60) days prior to the expiration of such two (2) year period, give notice to any Owner who has not presented any Bond for payment that any moneys held for the payment of any such Bond will be returned as provided in this Section 5.11 at the expiration of such two (2) year period. The failure of the Trustee to give any such notice shall not affect the validity of any return of funds pursuant to this Section 5.11.

Section 5.12. Cancellation. All Bonds which have been paid, redeemed, purchased or surrendered shall be immediately canceled and periodically destroyed by the Trustee in accordance with its then current document retention practices. A copy of the canceled Bond or Bonds or other form of notice of such cancellation shall be delivered to the Institution upon its written request.

Section 5.13. Payments Due on Days Other Than Business Days. Unless otherwise provided in any Supplemental Indenture, in any case where the date that any payment on the Bonds or hereunder of maturity of interest, principal or Sinking Fund Payments of the Bonds or the date fixed for redemption of any Bonds shall be a day other than a Business Day, then such payment shall be made on the next succeeding Business Day with the same force and effect as if made on the date due, and no interest shall accrue for the period after such date.

Section 5.14. Agreement to Provide Information. The Trustee agrees, whenever requested in writing by the Issuer or the Institution, to provide such information that is known to the Trustee relating to the Bonds as the Issuer or the Institution, from time to time, may reasonably request, including, but not limited to, such information as may be necessary to enable the Issuer or the Institution to make any reports required by any Federal, state or local law or regulation or to request any consent or waiver from the holders of the Bonds.

Section 5.15. Continuing Disclosure Agreement. Pursuant to Section 8.15 of the Loan Agreement, the Institution and the Trustee have undertaken responsibility for compliance with, and the Issuer shall have no liability to the Holders of the Bonds or any other Person with respect to, any reports, notices or disclosures required by or provided pursuant to the Continuing Disclosure Agreement authorized by said Section 8.15. The Trustee hereby covenants and agrees with the Holders from time to time of the Bonds

that it will act as Dissemination Agent under the Continuing Disclosure Agreement comply with and carry out all of its duties as Dissemination Agent under the Continuing Disclosure Agreement and Section 8.15 of the Loan Agreement. Notwithstanding any other provision of this Indenture, failure of the Institution or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default under this Indenture, and the rights and remedies provided by this Indenture upon the occurrence of such a default or an Event of Default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein. The Trustee hereby covenants and agrees to comply with the continuing disclosure requirements as may be applicable to any Series of Additional Bonds issued hereunder; provided, however, such requirements are substantially in accordance with the provisions of the Continuing Disclosure Agreement and Section 8.15 of the Loan Agreement.

ARTICLE VI PRIORITY RIGHTS OF TRUSTEE

Section 6.01. Priority Rights of Trustee. The rights and privileges of the Institution set forth in the Loan Agreement are specifically made subject and subordinate to the rights and privileges under the Bond Documents of the Trustee and the Owners of the Bonds.

ARTICLE VII DISCHARGE OF LIEN; DEFEASANCE OF BONDS

Section 7.01. Discharge of Lien.

(a) If the Issuer shall pay or cause to be paid to the Owners of any Series of Bonds or of all Outstanding Bonds the principal thereof, Redemption Price and interest thereon, at the times and in the manner stipulated therein and in this Indenture, and if there shall have been paid all fees, charges and expenses required to be paid under Section 9.02 hereof, then the lien on the Trust Estate hereby created for the benefit of the Owners of such Series of Bonds so paid shall be released, discharged and satisfied. In such event, except as otherwise specifically provided herein, the Trustee and any additional Paying Agent shall pay or deliver to the Institution on behalf of the Institution all moneys or securities held by it pursuant to this Indenture which are not required for the payment of such Series of Bonds. The Issuer may pay or cause to be paid any Series of Bonds without at the same time paying or causing to be paid all other Series of Outstanding Bonds. If the Issuer does not pay or cause to be paid, at the same time, all Outstanding Bonds, then the Trustee and any additional Paying Agent shall not return those moneys and securities held under this Indenture as security for the benefit of the Owners of Bonds not so paid or caused to be paid.

(b) When all of the Outstanding Bonds shall have been paid in full, or provisions for such full payment of all Outstanding Bonds shall have been made in accordance with this Section 7.01 and Section 7.02, the Trustee and the Issuer shall promptly execute and deliver to the Institution on behalf of the Institution such written

certificates, instruments and documents as the Institution shall provide to cause the lien of this Indenture upon the Trust Estate to be discharged and canceled.

(c) Notwithstanding the fact that the lien of this Indenture upon the Trust Estate may have been discharged and canceled in accordance with this Section, this Indenture and the rights granted and duties imposed hereby, to the extent not inconsistent with the fact that the lien upon the Trust Estate may have been discharged and canceled, shall nevertheless continue and subsist until the principal or Redemption Price of and interest on all of the Bonds shall have been fully paid or the Trustee shall have returned to the Institution pursuant to Section 5.11 hereof all funds theretofore held by the Trustee for payment of any Bonds not theretofore presented for payment.

Section 7.02. Discharge of this Indenture.

(a) Any Outstanding Bond or installments of interest with respect thereto shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning of, and with the effect expressed in, subsection (a) of Section 7.01 if: (i) there shall have been deposited with the Trustee sufficient cash and/or Government Obligations, in accordance with subsection (b) of Section 7.02, which will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of the Series of Bonds when due or to redeem the Series of Bonds on the earliest possible redemption date thereof at the Redemption Price specified in Section 3.01 hereof, (ii) in the event such Bonds are to be redeemed prior to maturity in accordance with Section 3.01 hereof or in a Supplemental Indenture with respect to a Series of Additional Bonds, all action required by the provisions of this Indenture to redeem the Bonds shall have been taken or provided for and notice thereof in accordance with Section 3.02 hereof or in a Supplemental Indenture with respect to such Series of Additional Bonds shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) provision shall have been made for the payment of all fees and expenses (including without limitation attorneys' fees and expenses) of the Trustee and of any additional Paying Agent with respect to the Series of Bonds of which the Bond is a part, (iv) the Issuer shall have been reimbursed for all of its expenses under the Loan Agreement with respect to the Series of Bonds of which such Series of Bonds is a part, and (v) all other payments required to be made under the Loan Agreement and this Indenture or any Supplemental Indenture with respect to such Series of Bonds of which the Bond is a part shall have been made or provided for.

(b) For the purpose of this Section 7.02, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem an Outstanding Bond prior to the maturity thereof only if there shall be on deposit with the Trustee and available for such purpose an amount of cash and/or a principal amount of Government Obligations, maturing or redeemable at the option of the owner thereof not later than (i) the maturity date of such Series of Bonds, or (ii) the first date following the date of computation on which such Series of Bonds may be redeemed pursuant to Article III hereof or the provisions of a Supplemental Indenture, as applicable (whichever may first occur), which, together with income to be earned on such Government Obligations prior to such maturity date or Redemption Date, equals the Redemption Price,

due on such Series of Bonds, together with all interest thereon (at the maximum applicable rate) which has accrued and which will accrue to such maturity or Redemption Date.

(c) Upon the defeasance of any Series of Bonds or of all Outstanding Bonds in accordance with Section 7.01 and this Section 7.02, the Trustee shall hold in trust, for the benefit of the Owners of such Series of Bonds, all such cash and/or Government Obligations, shall make no other or different investment of such cash and/or Government Obligations and shall apply the proceeds thereof and the income therefrom only to the payment of such Bonds, and prior to any defeasance becoming effective as provided above, there shall have been delivered to the Issuer and to the Trustee a verification from a verification agent (in each case reasonably satisfactory to the Issuer) to the effect that the moneys and/or Government Obligations are sufficient, together with any income to be earned thereon, without reinvestment, to pay the principal of, interest on, and redemption premium, if any, of the Bonds to be defeased.

Section 7.03. Lien Law Section 73 Covenant.

The Institution, on behalf of the Institution, for itself and as the agent of the Issuer, hereby covenants to the Issuer and to the Trustee, as a third-party beneficiary hereof, that the Institution will receive advances of monies under the Bond Documents and will hold the right to receive such advances as trust funds to be first applied to the payment of trust claims as defined in Section 71 of the Lien Law of the State, and that the Institution will apply the same to such payments only, before using any part of such advances for any other purpose.

**ARTICLE VIII
DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND
BONDHOLDERS**

Section 8.01. Events of Default.

The following shall be “Events of Default” under this Indenture:

(a) A default in the due and punctual payment of any interest or any principal, Sinking Fund Payment or Redemption Price of any Bond, whether at the stated maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration, or any other amounts due under this Indenture or the other Bond Documents or any other bond documents entered into in connection with any Series of Additional Bonds; or

(b) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in this Indenture or in any Series of Bonds and the continuance thereof for a period of thirty (30) days after written notice given by the Trustee or by the Owners of not less than fifty percent (50%) of the principal amount of the Bonds then Outstanding; or if such default cannot be cured within thirty (30) days, but the Issuer is proceeding diligently to cure such default, then the Issuer shall be permitted an additional ninety (90) days within which to remedy the default; or

(c) The occurrence and continuation of an Event of Default under the Loan Agreement; or

(d) The occurrence and continuation of an Event of Default under the Master Indenture or any Obligation issued thereunder.

Section 8.02. Acceleration; Annulment of Acceleration.

(a) Upon the occurrence and continuation of an Event of Default under Section 10.1(a)(v) of the Loan Agreement or any similar provision in any New Loan Agreement with respect to any Series of Additional Bonds, all Series of Bonds Outstanding shall become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of an Event of Default, the Trustee shall, by notice in writing delivered to the Issuer and the Institution, declare all Series of Bonds Outstanding immediately due and payable, and such Series of Bonds shall become and be immediately due and payable, anything in the Bonds or in this Indenture to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and which will accrue thereon to the date of payment. If all of the Series of Bonds Outstanding shall become so immediately due and payable, the Issuer and the Trustee shall as soon as possible declare by written notice to the Institution on behalf of the Institution all unpaid Debt Service Payments payable by the Institution under Section 5.3(a) of the Loan Agreement or any similar provision in any New Loan Agreement with respect to any Series of Additional Bonds to be immediately due and payable. Upon such declaration the same shall become and be immediately due and payable, and the Trustee shall immediately apply any moneys on deposit in the Principal Account and Interest Account, as appropriate, of the Bond Fund to the payment thereof.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms if (i) directed to do so by the Owners of not less than 51% in aggregate principal amount of Bonds Outstanding, or (ii) (A) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal, Sinking Fund Payments, or the Redemption Price (other than principal then due only because of such declaration) of such Outstanding Bonds; (B) sufficient moneys shall be available to pay the amounts described in Section 9.02 of this Indenture; (C) all other amounts then payable by the Issuer hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (D) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 8.03. Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, and upon being provided with security or indemnity reasonably satisfactory to the Trustee against any liability or expense which might thereby be incurred, the Trustee shall proceed forthwith to protect and enforce its rights and the rights of the Owners under the Act, the Bonds and the Loan Agreement and/or any New Loan Agreement by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem expedient.

(b) The Trustee acting directly may sue for, enforce payment of and receive any amounts due or becoming due from the Institution for principal, Redemption Price, interest or otherwise under any of the provisions of the Bonds, the Bond Documents, the obligations under the Master Indenture and any bond documents entered into in connection with any Series of Additional Bonds without prejudice to any other right or remedy of the Trustee or of the Owners.

(c) Regardless of the happening of an Event of Default, the Trustee shall have the right to institute and maintain such suits and proceedings as it may be advised by such Owners shall be necessary or expedient (i) to prevent any impairment of the security under this Indenture by any acts which may be unlawful or in violation of this Indenture or of any resolution authorizing any Series of Bonds, or (ii) to preserve or protect the interests of the Owners, provided that such request is in accordance with law and the provisions of this Indenture and is not unduly prejudicial to the interests of the Owners not making such request.

Section 8.04. Appointment of Receivers. Upon the occurrence and continuance of an Event of Default and upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the Trustee or the Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues and receipts thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.05. Application of Moneys.

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall be, after paying the reasonable fees, costs and expenses of the Trustee (including without limitation attorneys' fees and expenses), deposited in the Bond Fund.

(b) All moneys held in the Bond Fund during the continuance of an Event of Default shall be applied as follows:

(i) Unless the principal of all the Bonds shall have become due or shall have been declared due and payable,

FIRST - To the payment of all installments of interest then due, 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 of interest, then to the payment ratably, according to the

amounts due on such installment, to the Persons entitled thereto without any discrimination or preference; and

SECOND - To the payment of the unpaid principal or Redemption Price, if any, of any Bonds or principal installments which shall have become due (other than any Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective dates upon which such Bonds became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD - To the payment of the principal or Redemption Price of and interest on such Bonds as the same become due and payable; and

(ii) If the principal of all such Bonds shall have become due or shall have been declared due and payable, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all such Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bonds, ratably according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or preference; and

(iii) If the principal of the Bonds shall have been declared due and payable and if such declaration shall thereafter have been annulled pursuant to provisions of Section 8.02(b) hereof, the moneys shall be applied in accordance with the provisions of paragraph (i) of this Section 8.05(b).

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 8.05, such moneys shall be applied at such time or times as the Trustee in its sole discretion 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. On the date fixed by the Trustee for application of such moneys, interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the application of any such moneys and of the fixing of any such date.

Section 8.06. Remedies Vested in Trustee. Except as otherwise provided in Section 8.08(c) hereof, all rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. 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 Owners of any Bonds. Subject to the provisions of Section 8.05 hereof, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Bonds.

Section 8.07. Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee or to the Owners by this Indenture is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.08. Individual Bondholder Action Restricted.

(a) No Owner of any Bonds shall have any right to institute any suit, action or proceedings in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) an Event of Default has occurred of which the Trustee has been notified as provided in Section 9.01(b)(viii) hereof or of which by said Section the Trustee is deemed to have notice; and

(ii) the Owners of at least fifty-one percent (51%) in aggregate principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute such action, suit or proceeding in its own name; and

(iii) such Owners shall have offered the Trustee indemnity as provided in Section 9.01 hereof; and

(iv) the Trustee shall have failed or refused to exercise the powers herein granted or to institute such action, suit or proceedings in its own name for a period of sixty (60) days after receipt by it of such request and offer of indemnity.

(b) No one or more Owners of any Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the interests of the Trustee in the Trust Estate or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Owners of all such Bonds Outstanding.

(c) Nothing contained in this Indenture shall affect or impair, or be construed to affect or impair, (i) the right of the Owner of any Bonds to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof, or (ii) the rights of the Holders of at least seventy-five percent (75%) of the aggregate principal amount of such Bonds then Outstanding to institute suit for the enforcement of any such payment on or after such due date; provided, however, no Owner of any Bonds may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the lien of this

Indenture on the Trust Estate for the equal and ratable benefit of all Owners of Bonds issued hereunder.

Section 8.09. Termination of Proceedings. In case any proceeding 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 or the Owners, the Issuer, the Institution, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Owners shall continue as if no such proceeding had been taken.

Section 8.10. Waiver and Non-Waiver of Event of Default. No delay or omission of the Trustee to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VIII to the Trustee may be exercised from time to time and as often as may be deemed expedient.

Section 8.11. Notice of Defaults.

(a) Within ninety (90) days after (i) the receipt of notice of an Event of Default as provided in Section 9.01(b)(viii) hereof, or (ii) the occurrence of an Event of Default of which the Trustee is deemed to have notice by such Section, the Trustee shall, unless such Event of Default shall have theretofore been cured, give written notice thereof by first class mail to the Owners of each Series of Bonds then Outstanding, provided that, except in the case of a default in the payment of the principal of, Redemption Price of, or interest on any of the Bonds, the Trustee may withhold such notice to the Owners if, in the Trustee's sole judgment, it determines that the withholding of such notice is in the best interests of the Owners.

(b) The Trustee shall promptly notify the Issuer and the Institution, on behalf of the Institution, of any Event of Default known to the Trustee.

ARTICLE IX TRUSTEE AND PAYING AGENT

Section 9.01. Appointment of Trustee and Acceptance of Duties.

(a) UMB Bank, N.A., a national banking association, organized under the laws of the United States of America, having a corporate trust office at 100 William Street, Suite 1850, New York, New York 10038, is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee, subject to the terms and conditions set forth in subsection (b) of this Section 9.01, by executing this Indenture.

(b) The acceptance by the Trustee of the trusts imposed upon it by this Indenture and its agreement to perform said trusts are subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(i) Prior to the occurrence of an Event of Default, the Trustee 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 and 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 reasonable and prudent man would use, under the circumstances, in the conduct of his own affairs.

(ii) The Trustee may execute any of the trusts or powers conferred upon it in this Indenture and perform any of its duties hereunder by or through attorneys, agents or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters with respect to the trust and its duties hereunder, and may in all cases pay such reasonable and actual compensation to all such attorneys and agents as may reasonably be employed in connection with the trust hereunder but solely from the proceeds of the Trust Estate or as provided under the Loan Agreement. The Trustee may act upon an opinion of Independent Counsel or counsel to the Trustee and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion of Independent Counsel or counsel to the Trustee.

(iii) The Trustee shall not be responsible for any recital herein or in any Series of Bonds (except in respect to the Certificate of Authentication of the Trustee endorsed on any Series of Bonds), nor for the recording or re-recording or filing or re-filing of this Indenture or any other Bond Documents, except for filing UCC Continuation Statements, nor for insuring any Property securing such Series of Bonds, or for collecting any insurance moneys, nor for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or any instruments of further assurance, nor for the sufficiency of the security for any Series of Bonds, nor for any value of or title to any Property securing such Series of Bonds, nor for the performance or observance of any covenants, conditions or agreements on the part of the Institution under the Borrower Documents.

(iv) The Trustee may become the Owner of any Bond or Series of Bonds secured hereby with the same rights which it would have if it were not Trustee.

(v) The Trustee shall be protected in acting in the absence of gross negligence or willful misconduct upon any notice, request, consent, certificate, order, affidavit, letter or other paper or document believed by it in good faith to be genuine and to have been signed or sent by the proper Person or Persons.

(vi) The Trustee may, without further investigation, rely upon:

(A) a certificate, signed by an Authorized Representative of the Issuer

(1) as to the existence or non-existence of any fact or facts stated therein;

(2) as to the sufficiency or validity of any instrument, paper or proceeding, other than a resolution of the Issuer; and

(3) prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 9.01(b)(viii) hereof or of which by said Section the Trustee is deemed to have notice, as to the necessity or appropriateness of any particular dealing, transaction or action; and

(B) a certificate, signed by the Secretary of the Issuer, as to the due adoption and validity of a resolution of the Issuer.

(vii) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its gross negligence, willful misconduct or bad faith.

(viii) The Trustee shall not be deemed to have notice of any Event of Default hereunder except a default in the payment of the principal or Redemption Price of or interest on any of Series of Bonds, whether at maturity or upon prior redemption, unless the Trustee shall be specifically notified in writing of such Event of Default.

(ix) All moneys received by the Trustee shall be held in trust in the manner and for the purpose for which they were received but need not be segregated from other moneys held by the Trustee, except to the extent required by this Indenture or by law. The Trustee shall not be liable for interest on any moneys received hereunder.

(x) At any reasonable time, the Trustee and its duly authorized agents, experts and representatives may (but shall not be obligated to) inspect any of the security for any Series of Bonds and any books, papers and records of the Issuer pertaining to the Project and any Series of Bonds.

(xi) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers intended to be conferred upon it in this Indenture or otherwise in respect of the premises.

(xii) The Trustee may (but shall not be obligated to) demand, as a condition of the authentication of any Bonds, the withdrawal of any moneys, the release of any Property or the taking of any other action contemplated by this Indenture, any certificates, opinions, appraisals or other information, or corporate action or evidence thereof (in addition to any other

prerequisites required in any other Section of this Indenture), which the Trustee may reasonably deem desirable for the purpose of establishing the right of the Issuer to the authentication of each Series of Bonds, the withdrawal of the moneys, the release of the Property or the taking of the other action.

(xiii) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there shall be reasonable ground for believing that the prompt repayment of such funds or adequate indemnity against such liability is not reasonably assured to it. Before taking any action under this Indenture, the Trustee may require that satisfactory security or indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which may be adjudicated to have resulted from its own gross negligence, willful misconduct or bad faith, by reason of any action so taken.

(xiv) The Trustee shall not be personally liable for any debts contracted, nor for damages arising from injury to Persons or damage to Property, nor for salaries, nor for non-fulfillment of contracts during any period when it may be in the possession of or managing any Property as in this Indenture provided.

(xv) Except in the case of acts of bad faith, gross negligence or willful misconduct on the part of the Trustee, the Trustee shall not be liable for the use of Bond Proceeds disbursed in accordance with the terms herein.

(xvi) The Trustee shall be under no obligation to institute any suit, or to take any remedial or legal action herein or under or pursuant to any other Bond Document, or to enter any appearance or in any way defend in any suit in which it may be made a defendant, or to take any steps in the execution of the trusts hereby created, or in the enforcement of any rights and powers of fulfillment of any extraordinary duties herein or under any other Bond Documents, until it shall be indemnified in accordance with the terms set forth herein to its reasonable satisfaction against any and all reasonable compensation for services, costs and expenses, outlays, counsel fees and other disbursements, and against all liability not due to its willful misconduct or gross negligence.

(xv) The Trustee may request that the Issuer deliver a certificate setting forth the names of individuals and/or title of officers of the Issuer authorized at such time to take specified actions pursuant to this Indenture

Section 9.02. Fees, Charges and Expenses of Trustee and Paying Agents. The Institution on behalf of the Issuer, shall pay or reimburse the Trustee and any Paying Agent, or cause the Trustee and any Paying Agent to be paid or reimbursed, for

reasonable fees for their Ordinary Services rendered hereunder and all Ordinary Expenses reasonably paid or incurred in connection with such Ordinary Services and, in the event that the Trustee or any Paying Agent should perform Extraordinary Services, reasonable extra compensation therefor, and for reasonable Extraordinary Expenses in connection therewith, provided, that if such Extraordinary Services or Extraordinary Expenses are occasioned by the gross negligence, willful misconduct or bad faith of the Trustee or any Paying Agent, it shall not be entitled to compensation or reimbursement therefor. The Institution on behalf of the Issuer, shall pay or reimburse the Trustee, or cause the Trustee to be paid or reimbursed, for the reasonable fees and expenses (including without limitation attorneys' fees and expenses) of the Trustee as Paying Agent and Bond Registrar for each Series of Bonds as hereinabove provided. The obligation of the Institution on behalf of the Issuer, under this Section 9.02 to compensate, reimburse and indemnify the Trustee and any Paying Agent shall constitute additional indebtedness secured hereunder which, in the absence of an Event of Default hereunder, shall be subordinate to the lien in favor of Owners. Upon the occurrence and during the continuance of any Event of Default hereunder, the Trustee and any Paying Agent shall have a first lien upon the Trust Estate for the foregoing compensation, reimbursement and indemnification rights, with right of payment prior to payment on account of interest on, or principal or Redemption Price of, each Series of Bonds. The rights of the Trustee and each Paying Agent shall survive the resignation or removal of such Trustee or Paying Agent and the payment of each Series of Bonds and discharge of this Indenture.

Section 9.03. Intervention by Trustee. Subject to Section 9.01(b)(v), in any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee, has a substantial bearing on the interests of Owners of the Series 2022B Bonds, the Trustee may, and if indemnified to its reasonable satisfaction, and requested in writing by the Owners of at least fifty-one percent (51%) in aggregate principal amount of each Series of Bonds Outstanding shall, intervene on behalf of Owners.

Section 9.04. Right of Trustee to Pay Taxes, Insurance Premiums and Other Charges.

(a) If any tax, assessment, payment in lieu of tax, governmental or other charge upon any part of the Trust Estate is not paid, or if any insurance is not maintained as required herein, or if an Event of Default under the Loan Agreement occurs and the Trustee incurs costs and expenses in accordance with Section 10.2(b) of the Loan Agreement as a result thereof, the Trustee may pay such tax, assessment, payment in lieu of tax, governmental or other charge or insurance premium or cost or expense, without prejudice, however, to any rights of the Trustee or the Owners hereunder arising in consequence of such failure. Any amount so paid under this Section 9.04 shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any Bonds and interest thereon, and shall be paid out of the proceeds collected from the Trust Estate, if not otherwise caused to be paid.

(b) The Trustee shall be under no obligation to make any payment described in subsection (a) of this Section 9.04 unless it shall have been requested in writing to do so by the Owners of at least fifty-one percent (51%) in aggregate principal amount of each Series of Bonds Outstanding and shall have been provided with adequate funds to make such payment.

Section 9.05. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and be vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto.

Section 9.06. Resignation by Trustee. The Trustee and any successor Trustee may, at any time, resign from the trusts hereby created and be discharged of their duties and obligations under this Indenture by giving not less than sixty (60) days written notice to the Issuer and, by first class mail, to each Owner of each Series of Bonds then Outstanding. Such resignation shall take effect upon the date specified in such notice, provided, however, that in no event shall such a resignation take effect until a successor Trustee has been appointed pursuant to Section 9.08 of this Indenture. If no successor Trustee shall have been appointed within 45 days of the notice of resignation or removal of the Trustee, the Trustee shall have the right, at the expense of the Issuer, to petition a court of competent jurisdiction for the appointment of a successor Trustee.

Section 9.07. Removal of Trustee. The Trustee may be removed at any time without cause by (a) an instrument which (i) is signed by the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding, (ii) specifies the date on which such removal shall take effect and the name and address of the successor Trustee, and (iii) is delivered to the Trustee, the Issuer and the Institution or (b) by the Institution, so long as no Event of Default has occurred and is continuing under the Loan Agreement. Notice of any such removal shall be given, by first class mail, to each Owner of Bonds then Outstanding not less than sixty (60) days before such removal is to take effect as stated in such instrument. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Indenture or the Loan Agreement, by any court of competent jurisdiction upon the application by the Issuer, the Institution or the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then Outstanding.

Section 9.08. Appointment of Successor Trustee by Bondholders; Temporary Trustee.

(a) In case the Trustee hereunder shall resign, or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Trustee may be appointed by the Owners of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding by an instrument signed by such Owners and delivered to such successor Trustee, the predecessor Trustee, the Issuer and the Institution. Notice of any such appointment shall be given, by first class mail, to each Owner of each Series of Bonds then Outstanding within thirty (30) days after delivery to the Issuer of the instrument appointing such successor Trustee.

(b) In case of the occurrence of any event affecting the Trustee hereunder described in subsection (a) of this Section 9.08, the Issuer, by an instrument signed by the Chair, Vice Chair, or Executive Director and attested by the Secretary, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners in the manner provided in subsection (a) of this Section 9.08. If the Trustee shall be removed in the manner described in Section 9.07(b), the Institution shall have the right to appoint a successor Trustee, provided that no Event of Default has occurred and is continuing under the Loan Agreement. Such instrument appointing such successor Trustee by the Issuer shall be delivered to the successor Trustee so appointed, to the predecessor Trustee and to the Institution. Notice of any such appointment shall be given, by first class mail, to each Owner of Bonds then Outstanding within thirty (30) days after delivery to the successor Trustee of the instrument appointing such successor Trustee. Any such temporary Trustee appointed by the Issuer shall immediately and without further act be superseded by any successor Trustee appointed by the Owners.

(c) Any Trustee appointed pursuant to the provisions of this Section 9.08 shall be a national banking association, trust company or bank which is authorized to exercise the corporate trust powers intended to be conferred upon it by this Indenture and has combined capital and surplus of at least \$25,000,000, or any other corporate or individual trustee duly authorized and empowered to act as Trustee hereunder and reasonably acceptable to the Issuer and approved by all Owners.

Section 9.09. Concerning Successor Trustees.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee and the Issuer an instrument accepting such appointment hereunder. Thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the Property, rights, powers, trusts, duties and obligations, with respect to this Indenture, of its predecessor Trustee.

(b) Every predecessor Trustee shall, on the written request of the Issuer or the successor Trustee and upon payment of amounts owing to it hereunder, execute and deliver an instrument transferring to such successor Trustee all the Property, rights, powers and trusts of such predecessor hereunder. Every predecessor Trustee shall deliver to its successor Trustee all securities and moneys held by it as Trustee hereunder. If any instrument from the Issuer shall be requested by any successor Trustee, acknowledging the transfer to such successor Trustee of the Property, rights, powers and duties hereby vested or intended to be vested hereunder, any and all such instruments shall be executed, acknowledged and delivered by the Issuer.

(c) The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article IX, shall be filed and/or recorded by the successor Trustee with the Issuer.

Section 9.10. Successor Trustee as Custodian of Funds and Paying Agent. In the event of a change of Trustees, the predecessor Trustee shall cease to be (a) custodian of the Funds created pursuant to Section 4.01 hereof and of all other moneys, Property,

rights and assets of the Issuer, and (b) Bond Registrar and Paying Agent for principal or Redemption Price of and interest on each Series of Bonds, and the successor Trustee shall become such custodian, Bond Registrar and Paying Agent. Every predecessor Trustee shall deliver to its successor Trustee all books of account, the registration books, the list of Bondholders and all other records, documents and instruments relating to its duties as such custodian, Bond Registrar and Paying Agent.

Section 9.11. Trust Estate May Be Vested in Co-Trustee.

(a) In the event the Trustee determines that it may be necessary or desirable to appoint one or more co-trustees to exercise any of the rights, powers or remedies granted to the Trustee hereunder, the Trustee may appoint an additional Person or Persons to act as co-trustee or co-trustees hereunder by executing an instrument of appointment for each such co-trustee and by delivering such instrument of appointment to the co-trustee, the Issuer and the Institution. Any such instrument of appointment shall confer such rights, powers, duties and obligations hereunder as the Trustee may deem necessary or desirable upon the co-trustee as joint tenant (or, if required by applicable law, as tenant-in-common) with the Trustee, except to the extent that, under applicable law, the Trustee is incompetent or unqualified to exercise any of such rights or powers or to discharge any of such duties or obligations. To such extent, such rights, powers, duties and obligations may be conferred upon and exercised and performed solely by the co-trustee. If any written instrument shall be requested from the Issuer by the co-trustee more fully and certainly to vest in it such rights, powers, duties and obligations, such instrument or instruments shall be executed, acknowledged and delivered by the Issuer.

(b) The Trustee, at any time by an instrument in writing delivered to any co-trustee, the Issuer and the Institution, may remove such co-trustee. In case any co-trustee shall become incapable of acting, resign or be removed, all the Property, rights, powers, duties and obligations of such co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment by the Trustee of a successor to such co-trustee.

Section 9.12. Appointment, Resignation or Removal of Paying Agent; Successors.

(a) The Trustee is hereby designated and, by executing this Indenture, agrees to act as Paying Agent for and in respect to each Series of Bonds issued hereunder.

(b) The Issuer, from time to time, may appoint one or more additional Paying Agents and, in the event of the resignation or removal of any Paying Agent, successor Paying Agents by an instrument signed by the Chair, Vice Chair, or Executive Director of the Issuer and attested by the Secretary of the Issuer and delivered to such Paying Agent and the Trustee. Any such additional Paying Agent or successor Paying Agent shall be a national banking association, trust company or bank which is authorized by law to perform all the duties imposed upon a Paying Agent by this Indenture and has a combined capital and surplus of at least \$25,000,000. Any such additional Paying Agent or successor 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 the Trustee a written acceptance thereof.

(c) The principal office of each Paying Agent is hereby designated as the respective office or agency of the Issuer for the payment of the principal or Redemption Price of and interest on each Series of Bonds. Any additional Paying Agent shall hold all moneys received by it for the payment of the principal of or Redemption Price of and interest on the Bonds in trust for the benefit of the Owners of the Bonds. Any additional Paying Agent, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any Bonds, and may join in any action which any Owner may be entitled to take with like effect as if such association, bank or trust company were not such Paying Agent.

(d) A 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 written notice to the Issuer and the Trustee. A Paying Agent may be removed at any time by an instrument signed by the Chair, Vice Chair, or the Executive Director of the Issuer and attested by the Secretary of the Issuer and delivered to such Paying Agent and the Trustee.

(e) In the event of the resignation or removal of a 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.

Section 9.13. Trustee to Exercise Powers of Statutory Trustee. The Trustee shall be and is hereby vested with all of the rights, powers and duties of a trustee under this Indenture appointed by Owners, and the right of Owners to appoint a trustee is hereby abrogated.

Section 9.14. Force Majeure. The Trustee and the Issuer shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Trustee (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, epidemic or pandemic, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility).

Section 9.15. Trustee as Repository. *Except as otherwise expressly provided herein, the Trustee shall have no duty to review and shall not be responsible for the contents of any reports, assessments, lists, contracts, agreements, evidence or other documents s may be delivered to it hereunder, and shall hold same solely as repository for the benefit of the Holders of the Bonds.*

ARTICLE X SUPPLEMENTAL INDENTURES

Section 10.01. Supplemental Indentures Not Requiring Consent of Owners.

(a) Without the consent of or notice to any of the Owners of the Bonds issued hereunder, the Issuer and the Trustee may enter into one or more Supplemental Indentures, not inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (i) To cure any ambiguity or formal defect or omission in this Indenture;
- (ii) To cure, correct or supplement any defective provision of this Indenture in such manner as shall not be inconsistent with this Indenture and shall not impair the security hereof nor adversely affect the Owners;
- (iii) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee, but only with the prior written consent of the Institution not unreasonably to be withheld;
- (iv) To add to the covenants and agreements of the Issuer in this Indenture, other covenants and agreements to be observed by the Issuer;
- (v) To identify more precisely the Trust Estate;
- (vi) To subject to the lien of this Indenture additional revenues, receipts, Property or collateral, but only with the prior written consent of the Institution not unreasonably to be withheld;
- (vii) To release Property from the lien of this Indenture or to grant or release easements to the extent permitted by this Indenture;
- (viii) To make any other changes in this Indenture which do not prejudice the interests of the Trustee, the Institution or the Owners;
- (ix) To make any change which, in the opinion of Bond Counsel, is necessary or desirable in order to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes;
- (x) To make any change requested by a Rating Agency in connection with obtaining or maintaining a rating on any Series of Bonds;
or
- (xi) To issue any Series of Additional Bonds in accordance with the provisions of Section 2.14 hereof.

(b) In connection with the execution and delivery of any Supplemental Indenture to be entered into under the provisions of Article X of this Indenture, the Trustee shall be entitled to receive and may rely upon (i) an opinion of Independent Counsel as conclusive evidence that any such Supplemental Indenture complies with the foregoing conditions and provisions, and (ii) an opinion of Bond Counsel that the execution and delivery thereof will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes and that such Supplemental Indenture will, upon the execution and delivery thereof, be a valid and binding obligation of the Issuer.

Section 10.02. Supplemental Indentures Requiring Consent of Owners.

(a) Except as provided in Section 10.01 hereof, the Owners of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then Outstanding (or if less than all Series of Bonds then Outstanding are affected by such Supplemental Indenture, then the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Series of Bonds so affected) shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such Supplemental Indentures as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in this Indenture or in any Supplemental Indenture or in the Series 2022B Bonds or any other Series of Bonds issued hereunder; provided, however, that nothing contained in this Section 10.02 shall permit:

(i) A change in the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Series of Bonds or a reduction in the principal amount or Redemption Price of any Outstanding Series of Bonds or the rate of interest thereon, without the consent of the Owner of each such Bond; or

(ii) The creation of a lien upon the Trust Estate ranking prior to or on a parity with the lien created by this Indenture, without the consent of the Owners of all Outstanding Series of Bonds; or

(iii) A preference or priority of any Bond or Series of Bonds over any other such Bond or Series of Bonds, without the consent of the Owners of all such Outstanding Bonds so affected; or

(iv) A reduction in the aggregate principal amount of any Bonds required for consent to such Supplemental Indenture, without the consent of the Owners of all Outstanding Series of Bonds.

(b) If at any time the Issuer shall request the Trustee to enter into a Supplemental Indenture for any of the purposes of Section 10.02(a) hereof, the Trustee, upon being satisfactorily indemnified, shall cause notice of the proposed execution of such Supplemental Indenture to be given, by first class mail, to each Owner of Bonds then Outstanding at their addresses as they appear on the registration books kept by the Trustee. Such notice shall briefly summarize the contents of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Office of the Trustee for inspection by all Owners.

(c) The Trustee shall not, however, be subject to any liability to any Owner by reason of its failure to mail the notice required by Section 10.02(b) hereof.

(d) If, within such period after the mailing of the notice required by Section 10.02(b) hereof as the Issuer shall prescribe with the approval of the Trustee, the Issuer shall deliver to the Trustee an instrument or instruments executed by the Owners of not less than fifty-one percent (51%) in aggregate principal amount of Bonds then

Outstanding, referring to the proposed Supplemental Indenture as described in such notice and consenting to and approving the execution thereof, the Trustee shall execute such Supplemental Indenture.

(e) If the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of Bonds shall have any right to object to any of the terms and provisions contained therein or in any manner to question the propriety of the execution thereof or enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

(f) The Trustee shall be entitled to receive and may rely upon an opinion of Independent Counsel as conclusive evidence that (i) any Supplemental Indenture entered into by the Issuer and the Trustee, and (ii) the evidence of requisite Owner consent thereto comply with the provisions of this Section 10.02.

Section 10.03. Consent of Institution to Supplemental Indentures. Notwithstanding anything contained in this Indenture to the contrary, no Supplemental Indenture which affects any rights or obligations of the Institution shall become effective unless and until the Institution shall have consented in writing to the execution and delivery of such Supplemental Indenture.

Section 10.04. Effect of Supplemental Indentures. Any Supplemental Indenture executed in accordance with the provisions of this Article X shall thereafter form a part of this Indenture. All the terms and conditions contained in any such Supplemental Indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

ARTICLE XI

AMENDMENTS AND MODIFICATIONS TO THE LOAN AGREEMENT AND TAX REGULATORY AGREEMENT

Section 11.01. Amendments to the Loan Agreement Not Requiring Consent of Owners. Without the consent of or notice to any of the Owners, the Issuer and the Institution may enter into, and the Trustee may consent to, any amendment, change or modification of any Loan Agreement as may be required (a) by the provisions thereof or of this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission therein, (c) in connection with the description of the Project and the substitution, addition or removal of a portion of the Facility as provided in the Loan Agreement and this Indenture, (d) in connection with additional real estate which is to become part of the Facility, or (e) in connection with any other change therein which, in the sole judgment of the Trustee (which may be based upon advice of counsel), does not adversely affect the interests of the Trustee or the Owners of the Bonds. The Trustee shall be entitled to receive and may rely upon (i) an opinion of Independent Counsel stating that, and as conclusive evidence that, any such amendment, change or modification complies with the

provisions of this Section and that such amendment, change or modification will, upon the execution and delivery thereof, be a valid and binding obligation of the parties thereto, and (ii) an opinion of Bond Counsel that the execution and delivery thereof will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

Section 11.02. Amendments to the Loan Agreement Requiring Consent of Owners.

Except for amendments, changes or modifications as provided in Section 11.01 hereof, neither the Issuer, the Institution, nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the applicable Series of Bonds at the time Outstanding procured and given in the manner set forth in Section 10.02 hereof; provided, however, that no such amendment shall be permitted which changes the terms of payment thereunder without the consent of the Owners of all the applicable Series of Bonds then Outstanding. The Trustee shall be entitled to receive and may rely on (i) an opinion of Independent Counsel stating that, and as conclusive evidence that, any such amendment, change or modification and the evidence of requisite Owner consent comply with the requirements of this Section and that such amendment, change or modification will, upon the execution and delivery thereof, be a valid and binding obligation of the parties thereto, and (ii) an opinion of Bond Counsel that the execution and delivery thereof will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

Section 11.03. Amendments of Tax Regulatory Agreement Not Requiring Consent of Owners.

Without the consent of or notice to any of the Owners, the Issuer and the Trustee may consent to any amendment, change or modification of the Tax Regulatory Agreement as may be required (a) for the purpose of curing any ambiguity or formal defect or omission, (b) to facilitate the issuance of Additional Bonds, (c) in connection with any other change therein which, in either case, in the sole judgment of the Trustee (which may be based upon advice of counsel) does not adversely affect the interests of the Trustee or the Owners of the Bonds, or (d) any other change required to maintain the tax exemption on the Bonds. The Trustee shall be entitled to receive and may rely upon (i) an opinion of Independent Counsel stating that, and as conclusive evidence that, any such amendment, change or modification complies with the provisions of this Section and that such amendment, change or modification will, upon the execution and delivery thereof, be a valid and binding obligation of the parties thereto, and (ii) an opinion of Bond Counsel that the execution and delivery thereof will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

Section 11.04. Amendments of Tax Regulatory Agreement Requiring Consent of Owners.

Except for amendments, changes or modifications as provided in Section 11.03 hereof, neither the Issuer nor the Trustee shall enter into any amendment, change or modification of the Tax Regulatory Agreement without mailing of notice and the written approval or consent of the Owners of not less than fifty-one percent (51%) in aggregate principal amount of the applicable Series of Bonds at the time Outstanding procured and given in the manner set forth in Section 10.02 hereof. The Trustee shall be entitled to

receive and may rely upon an opinion of Independent Counsel stating that and as conclusive evidence that any such amendment, change or modification and the evidence of requisite Owner consent comply with the provisions of this Section.

ARTICLE XII MISCELLANEOUS

Section 12.01. Consent of Owners.

(a) Any consent, request, direction, approval, objection or other instrument required or permitted by this Indenture to be signed and executed by the Owners may be in any number of writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of such Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and may be conclusively relied on by the Trustee with regard to any action taken thereunder:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by (A) the certificate (which need not be acknowledged or verified) of an officer of a bank or trust company or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such instrument acknowledged to him the execution thereof on such date, or (B) by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Owner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation.

(ii) The ownership of such Bonds and the amount, numbers and other identification, and the date of holding the same, shall be proved by the registration books kept by the Trustee as bond registrar.

(b) Any request, consent or vote of the Owners of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done or omitted to be done by the Issuer or the Trustee in accordance therewith, unless and until such request, consent or vote is revoked by the filing with the Trustee of a writing, signed and executed by the Owners of such Bond, in form and substance and within such time as shall be satisfactory to the Trustee. Nothing in this Section shall be construed as limiting the Trustee to the proof herein specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which it may deem sufficient.

Section 12.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person, other than the parties hereto and the Owners of any Bonds, any right, remedy or claim under or with respect to this Indenture or any covenants, conditions or provisions herein contained. This

Indenture and all of the covenants, conditions, and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

Section 12.03. Severability.

(a) If any provision of this Indenture shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained inoperative or unenforceable.

(b) The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Indenture shall not affect the remaining portions of this Indenture or any part thereof.

Section 12.04. Notices. All notices, certificates or other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed as follows or to such other addresses as any party may specify in writing to the others:

To the Issuer:

Westchester County Local Development Corporation
Michaelian Office Building, Room 903
148 Martine Avenue
White Plains, New York 10601
Attention: Board Chair

To the Trustee:

UMB Bank, N.A.
100 William Street, Suite 1850
New York, New York 10038
Attention: Corporate Trust Services

With a copy to:

UMB Bank, N.A.

2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Services

To the Institution:

Kendal on Hudson
1010 Kendal Way
Sleepy Hollow, New York 10591
Attention: Chief Financial Officer

Such notices shall be deemed to have been given upon receipt or upon the refusal of the party being notified to accept delivery of such notice. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Trustee to the other shall also be given to the Institution. The Trustee may rely upon and comply with instructions or directions sent via unsecured facsimile or email transmission and the Trustee shall not be liable for any loss, liability or expense of any kind incurred by the Issuer or the Holders due to the Trustee's reliance upon and compliance with instructions or directions given by unsecured facsimile or email transmission, provided, however, that such losses have not arisen from the gross negligence or willful misconduct of the Trustee, it being understood that the failure of the Trustee to verify or confirm that the person providing the instructions or directions, is, in fact, an authorized person does not constitute negligence or willful misconduct.

Section 12.05. Counterparts. This Indenture 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. The transactions described herein may be conducted and related documents may be sent, received, and stored by electronic means.

Section 12.06. Applicable Law. This Indenture shall be governed and construed exclusively by the applicable laws of the State of New York without regard or reference to its conflict of laws principles.

Section 12.07. Lien Law. This Indenture shall be subject to the provisions of Section 13 of the Lien Law of the State.

Section 12.08. No Recourse on Bonds. No recourse shall be had for the payment of the principal of or the interest on the Bonds issued hereunder or for any claim based thereon

or on this Indenture against any member or officer of the Issuer or any person executing the Bonds.

Section 12.09. Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several sections of this Indenture have been prepared for convenience of reference only and shall not control, affect the meaning of, or be taken as an interpretation of any provision of this Indenture.

Section 12.10. 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 depository 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 depository bank. The Trustee hereby acknowledges that it shall obtain such information from the other Notice Parties as may be required in order for it to satisfy the requirements of the U.S.A. Patriot Act.

Section 12.11. Waiver of Jury Trial. EACH OF THE ISSUER, THE HOLDERS, THE TRUSTEE, THE PAYING AGENT, AND THE REGISTRAR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE OR THE BONDS CONTEMPLATED HEREBY.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and on its behalf by its Chair and, to evidence its acceptance of the trust hereby created, the Trustee has caused these presents to be signed in its name and on its behalf as of [_____] 1, 2022.

**WESTCHESTER COUNTY LOCAL DEVELOPMENT
CORPORATION**

By: _____

Name: Joan McDonald

Title: Chair

UMB BANK, N.A., as Trustee

By: _____

Name:

Title:

Signature Page to Indenture of Trust

Page 1 of 2

STATE OF NEW YORK)

) ss.:

COUNTY OF WESTCHESTER)

On the ___ day of _____ in the year 2022, before me, the undersigned, personally appeared **Joan McDonald**, 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 within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

STATE OF NEW YORK)

) ss.:

COUNTY OF NEW YORK)

On the ____ day of _____ in the year 2022, before me, the undersigned, personally appeared [_____], 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 s/he executed the same in her/his capacity, and that by her/his signature on the within instrument, the individual, or the person or entity on behalf of which the individual acted, executed the instrument.

Notary Public

Signature Page to Indenture of Trust

Page 2 of 2

EXHIBIT A

(FORM OF SERIES 2022B BONDS)

NOTICE:

THIS SERIES 2022B BOND HAS NOT BEEN REGISTERED

UNDER THE SECURITIES ACT OF 1933 AND

MAY NOT BE SOLD OR TRANSFERRED

WITHOUT REGISTRATION UNDER SAID ACT

OR EXEMPTION THEREFROM.

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

REVENUE REFUNDING BONDS, SERIES 2022B

(KENDAL ON HUDSON PROJECT) (FORWARD DELIVERY)

No. [BR]-__

Principal Amount: \$_____

Registered Owner: Cede & Co.

CUSIP No. _____

Interest Rate _____%

Maturity Date _____

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION, a not-for-profit local development corporation duly existing under the laws of the State of New York, having its principal office at Michaelian Office Building, Room 903, 148 Martine Avenue, White Plains, New York 10601 (the “**Issuer**”), acknowledges itself indebted and for value received promises to pay, solely from the source and as hereinafter provided, to the Registered Owner set forth above at the address set forth on the registration books of UMB Bank, N.A., as trustee (said trustee and any successor thereto under the Indenture being herein collectively called the “**Trustee**”) as of its applicable Record Date, the principal amount set forth above on the Maturity Date set forth above or sooner as provided herein. The outstanding principal hereof shall bear interest from the date hereof at the per annum interest rate set forth above calculated on the basis of a three-hundred sixty (360) day year of twelve (12) thirty (30) day months (the “**Bond Rate**”) (except as otherwise provided herein), payable semi-annually on the first day of each July 1 and January 1, commencing on January 1, 2023 and continuing thereafter until said principal is paid in full. All capitalized terms used herein, unless otherwise defined herein, shall have the meanings ascribed to such terms in Schedule A to the Indenture (as hereinafter defined), which Schedule A is hereby incorporated by reference in this Series 2022B Bond and made a part hereof. Payment of the principal of this

Series 2022B Bond, and, if this Series 2022B Bond shall be redeemed prior to maturity, payment of the principal and redemption premium, if any, and interest accrued to the Redemption Date, shall be made upon presentation and surrender hereof at the principal corporate trust office of UMB Bank, N.A., as paying agent of the Issuer (the “**Paying Agent**”), at 2 South Broadway, Suite 600, St. Louis, Missouri 63102, Attention: Corporate Trust Services, or at the office designated for such payment by any successor Paying Agent or at such other place as may be agreed upon in advance by the Paying Agent and the registered Owner of this Series 2022B Bond. Interest (other than interest which is included in the Redemption Price) on this Series 2022B Bond due on any Debt Service Payment Date shall be payable to the Owner in whose name this Series 2022B Bond is registered at the close of business on the Record Date with respect to such Debt Service Payment Date (i) by check mailed on the Debt Service Payment Date to the Registered Owner, or (ii) by wire transfer on the Debt Service Payment to any Owner of at least \$500,000 in aggregate principal amount of Series 2022B Bonds, upon written notice provided by the Owner to the Trustee not later than five (5) days prior to the Record Date for such Debt Service Payment Date; provided, however that payment of interest on redemption of any Series 2022B Bond shall be made only upon presentation and surrender of such Bond as provided in the Indenture; provided, further, that if and to the extent there shall be a default in the payment of the interest due on any Debt Service Payment Date, the defaulted interest shall be paid to the Owner in whose name this Series 2022B Bond is registered at the close of business on a special record date established by notice mailed by or on behalf of the Issuer to the Owners of Series 2022B Bonds not less than fifteen (15) days preceding such special record date. Wire transfer payments of interest shall be made at such wire transfer address as the Owner shall specify in his notice requesting payment by wire transfer, provided that the Trustee has received sufficient information to make such wire transfer, including, but not limited to, ABA routing and account numbers. The principal, Redemption Price of, and interest on this Series 2022B Bond are payable in lawful money of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

Any payment of interest or principal or Sinking Fund Payments which are due on a day other than a Business Day shall be due and payable on the next succeeding Business Day with the same effect as if paid on the date due. “Business Day” means a day other than a Saturday, Sunday or legal holiday or day on which banking institutions in New York, New York or any city in which the principal office of the Trustee or any Paying Agent is located are authorized by law or executive order to remain closed.

This Series 2022B Bond is one of a duly authorized series of the Issuer’s Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery) issued in the aggregate principal amount of [THIRTY NINE MILLION THREE HUNDRED FIFTEEN THOUSAND AND 00/100 DOLLARS (\$39,315,000)] (hereinafter called the “**Series 2022B Bonds**”), on behalf of Kendal on Hudson, a New York not-for-profit corporation and an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and exempt from federal income taxation

pursuant to Section 501(a) of the Code, located at 1010 Kendal Way, Sleepy Hollow, New York 10591 (“**Institution**”).

The Series 2022B Bonds will be issued to finance the following (the “**Project**”):

- (A) the refinancing of the Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013) (the “**Series 2013 Bonds**”) issued by the Issuer, in the original aggregate principal amount of \$64,330,000, approximately \$[45,000,000] of which are currently outstanding and the proceeds of which Series 2013 Bonds were used for (i) the refinancing of the Continuing Care Retirement Community Fixed Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2003A) (the “**Series 2003A Bonds**”) issued by the County of Westchester Industrial Development Agency (the “**IDA**”), in the original aggregate principal amount of \$65,070,000, approximately \$21,465,000 of which were outstanding and the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2003B) (the “**Series 2003B Bonds**”; and, together with the Series 2003A Bonds, the “**Series 2003 Bonds**”) issued by the IDA in the original aggregate principal amount of \$7,000,000, approximately \$6,425,000 of which were outstanding and the proceeds of which Series 2003 Bonds were used to fund a portion of the cost of the acquisition, construction and equipping of the continuing care retirement community known as “Kendal on Hudson” and related structures, and the acquisition and installation of machinery and equipment in connection therewith (the “**Facility**”), all for the establishment of a continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens, which then consisted of 222 independent living units, 24 enriched housing units, 42 skilled nursing facility beds, common areas and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities located on leased premises, consisting of 21 acres and with an address of 1010 Kendal Way in the Village of Sleepy Hollow, Town of Mount Pleasant, Westchester County, New York (the “**Land**”); and (ii) the refinancing of the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2007) issued by the IDA in the original aggregate principal amount of \$41,350,000 (the “**Series 2007 Bonds**”), approximately \$40,710,000 of which Series 2007 Bonds were outstanding and the proceeds of which were originally used to refinance a portion of the Series 2003A Bonds; and (iii) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds, including issuance costs of the Series 2013 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2013 Bonds; and
- (B) the payment of all or a portion of the costs incidental to the issuance of the Series 2022B Bonds, including issuance costs of the Series 2022B Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2022B Bonds.

Ex A

- 3 -

Contemporaneously with the execution of the Indenture, the Issuer has loaned the proceeds of the Series 2022B Bonds to the Institution for the purposes of financing the costs of the Project pursuant to a certain Loan Agreement, dated as of [_____] 1, 2022 (the “**Loan Agreement**”), by and between the Institution and the Issuer.

The Series 2022B Bonds are all issued under and are equally and ratably secured by and entitled to the protection of an Indenture of Trust, dated as of [_____] 1, 2022 (which Indenture as from time to time amended and supplemented is herein referred to as the “**Indenture**”), duly executed and delivered by the Issuer to the Trustee. In order to evidence the Borrower’s obligation to repay the Series 2022B Bonds the proceeds of which were loaned by the Issuer to the Institution under the Loan Agreement, the Institution will issue to the Issuer a certain Promissory Note, dated as of [_____] 1, 2022 (the “**Series 2022B Promissory Note**”) in the aggregate principal amount of the Series 2022B Bonds.

The Institution has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2022B Bonds by the issuance of the Institution’s [Obligation No. 3 – 2022], dated [_____] 1, 2022 (the “**Series 2022B Obligation**”), pursuant to the terms of the Master Indenture, which Series 2022B Obligation is assigned by the Issuer to the Trustee pursuant to the Indenture. The Series 2022B Obligation and all Obligations issued under the Master Indenture are secured by the Mortgage, as assigned by the Assignment, and a pledge of Pledged Assets of the Obligated Group Members under the Master Indenture.

Reference is hereby made to the Loan Agreement, the Indenture, the Series 2022B Promissory Note, the Series 2022B Obligation, the Master Indenture and to all amendments and supplements thereto (copies of which are and will be on file at the principal corporate trust office of the Trustee), for a description of the property pledged and assigned, 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 Owners of the Series 2022B Bonds and the terms upon which the Series 2022B Bonds are issued and secured.

Redemption of Series 2022B Bonds; Redemption Dates and Prices.

(a) The Series 2022B Bonds shall be subject to redemption prior to the respective maturities thereof on the terms and at the prices set forth in subsections (b), (c), (d) and (f) and below.

(b) The Series 2022B Bonds maturing on or after [January 1, 20__], are subject to redemption by the Issuer, at the option of the Institution, on or after [January 1, 20__], in whole or in part at any time, at the Redemption Price (expressed as percentages of principal amount) set forth in the following table plus accrued interest to the Redemption Date:

Redemption Dates

Redemption Prices

The Institution may direct such prepayment only if it shall prepay an amount under the Loan Agreement equal to the amount of the prepayment price described above.

(c) The Series 2022B Bonds are subject to redemption in whole or in part at any time, without premium or penalty, at a Redemption Price equal to 100% of the principal amount of the Series 2022B Bonds to be prepaid plus interest accrued thereon to the Redemption Date, upon the occurrence of any of the following events:

(i) insurance or condemnation proceeds of \$25,000 or more resulting from any damage, destruction, casualty loss or condemnation with respect to the Facility shall be on deposit in the Bond Fund pursuant to Section 7.1(a)(iii) or 7.2(a)(iii)(B) of the Loan Agreement; or

(ii) excess Bond Proceeds of \$25,000 or more shall be transferred to the Bond Fund pursuant to Section 4.04(c) of the Indenture.

(d) (i) The Series 2022B Bonds maturing on January 1, [] are subject to mandatory redemption in part commencing on January 1, [] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022B Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
<u>January 1</u>	
[]	\$[]
[]	[]
[]	[]
[]	[]
[]	[]*
	<u>\$[]</u>

*Final Maturity

(ii) The Series 2022B Bonds maturing on January 1, [] are subject to mandatory redemption in part commencing on January 1, [] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022B Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
<u>January 1</u>	
[]	\$[]

Ex A

[]	[]
[]	[]
[]	[]
[]	[]*
<u>TOTAL</u>	<u>\$[]</u>
*Final Maturity	

(iii) The Series 2022B Bonds maturing on January 1, [] are subject to mandatory redemption in part commencing on January 1, [] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022B Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022B Bonds are set forth in the following table:

<u>Sinking Fund</u> <u>Payment Date</u>	<u>Amount</u>
<u>January 1</u>	
[]	\$([]
[]	[]
[]	[]
[]	[]
[]	[]*
<u>TOTAL</u>	<u>\$[]</u>
*Final Maturity	

(e) The Institution shall have the option to cause any Series 2022B Bonds to be purchased by the Institution, or its designee, in lieu of redemption pursuant to paragraph (b) above. Such option may be exercised by delivery to the Trustee of a written notice of the Institution specifying that the Series 2022B Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to the Indenture. Upon delivery of such notice, the Series 2022B Bonds shall not be redeemed but shall be purchased at a price equal to the redemption price specified above, and if so purchased, the Series 2022B Bonds shall continue to be Outstanding under the Indenture for all purposes and shall continue to be subject to optional redemption as provided herein. Such purchase shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Tax-Exempt Bonds for federal tax purposes.

(f) The Series 2022B Bonds shall be redeemed in whole as soon as practicable after the occurrence of an Event of Taxability and the receipt by the Trustee of written notice from any Owner or the Institution of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date the Trustee is notified of an Event of Taxability pursuant to this subsection) at a Redemption Price equal to 103% of the principal amount thereof plus accrued interest thereon to the Redemption Date if such Event of Taxability results from any action or failure to take action by the

Institution, and otherwise at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

Notice of Redemption.

(a) The Trustee shall call the Series 2022B Bonds for redemption as provided in subsections (b) or (c) under the heading “Redemption of Bonds; Redemption Dates and Prices” above upon receipt of notice from the Issuer or the Institution directing such redemption, which notice shall be sent to the Trustee at least forty-five (45) days prior to the Redemption Date specified in such notice and shall specify (i) the principal amount of the Series 2022B Bonds and their maturities so to be called for redemption, (ii) the applicable Redemption Price, and (iii) the provision or provisions of the Indenture pursuant to which such Series 2022B Bonds are to be called for redemption. The Trustee shall call the Series 2022B Bonds for redemption as provided in paragraph (d) under the heading “Redemption of Bonds; Redemption Dates and Prices” above for the applicable Sinking Fund Payment dates without need for direction from the Institution or the Issuer.

(b) When the Series 2022B Bonds are to be redeemed pursuant to the Indenture, the Trustee shall give notice of the redemption of such Bonds in the name of the Issuer stating: (i) the Series 2022B Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2022B Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2022B Bond to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue. Any notice of redemption may be conditioned on sufficient funds being on deposit with the Trustee on the Redemption Date to effect such redemption and if sufficient funds are not on deposit, the redemption shall be rescinded and be of no further force and effect.

(c) Notice required by subsection (b) above shall be given by mail at least twenty (20) days and not more than sixty (60) days prior to said redemption to the Owner of each Series 2022B Bond to be redeemed at the address shown on the registration books; but failure to give such notice by mail, or any defect therein, shall not affect the validity of any proceeding for the redemption of the Series 2022B Bonds.

As used in this Series 2022B Bond:

(1) “Event of Taxability” means

(A) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Institution shall consent or from which no timely appeal shall be taken to the effect that interest on the Series 2022B Bonds is includible in the gross income of the owner thereof for Federal income tax purposes; or

(B) the delivery to the Institution and to the Issuer of an opinion of Bond Counsel (reasonably satisfactory to the Institution) to the effect that interest on the Series 2022B Bonds is includible in the gross income of the owner thereof for Federal income tax purposes.

Reference to any article or section of any statute in this Series 2022B Bond shall be deemed to be reference to any similar, corresponding or replacement article or section of any future statute.

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 Registered Owners of the Series 2022B Bonds at any time by the Issuer with the consent of the Institution and of the Registered Owners of not less than fifty-one percent (51%) in aggregate principal amount of the Series 2022B Bonds at the time Outstanding thereunder. Any such consent shall be conclusive and binding upon each such registered owner and upon all future owners of each Bond and of any such Series 2022B Bond issued upon the transfer thereof, whether or not notation of such consent is made thereon. The Indenture also contains provisions pursuant to which the Registered Owners of fifty-one percent (51%) of the aggregate principal amount of Series 2022B Bonds outstanding may direct the Trustee to waive certain defaults.

The Series 2022B Bonds are special obligations of the Issuer and are payable solely from the payments derived under the Loan Agreement, the Series 2022B Promissory Note and the Indenture. Payments pursuant to the Loan Agreement are required to be made by the Institution directly to the Trustee and to be deposited in a separate Bond Fund held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Series 2022B Bonds.

THIS SERIES 2022B BOND IS NOT AND SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY MUNICIPALITY OF THE STATE OF NEW YORK (INCLUDING WITHOUT LIMITATION THE COUNTY OF WESTCHESTER), AND NEITHER THE STATE OF NEW YORK NOR ANY MUNICIPALITY OF THE STATE (INCLUDING WITHOUT LIMITATION THE COUNTY OF WESTCHESTER) SHALL BE LIABLE HEREON. NEITHER THE MEMBERS, OFFICERS, AGENTS OR EMPLOYEES OF THE ISSUER NOR ANY PERSON EXECUTING THIS SERIES 2022B BOND SHALL BE LIABLE PERSONALLY OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE HEREOF.

Upon initial issuance, except as otherwise provided in the Indenture, the ownership of this Series 2022B Bond shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”). So long as the Series 2022B Bonds are held in book-entry form, the nominee of the securities depository shall be considered the registered holder for all purposes. So long as DTC or Cede & Co. as nominee for DTC is the

registered holder of the Series 2022B Bonds, DTC shall be considered the only holder of the Series 2022B Bonds for all purposes under the Indenture. Ownership interests and transfers of ownership interests in the Series 2022B Bonds will be accomplished by book entries made by DTC as provided in the Indenture.

This Series 2022B Bond is fully negotiable and transferable, as provided in the Indenture, only upon compliance with the restrictions set forth in the legend to this Series 2022B Bond and only upon the books of the Issuer kept by the Trustee, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon the surrender of this Series 2022B Bond, together with a written instrument of transfer satisfactory to the Trustee. Thereupon a new bond or bonds, in registered form, in the same aggregate principal amount and of the same maturity and rate of interest shall be issued to the transferee in exchange therefor, subject to the conditions and upon payment of the charges provided in the Indenture.

The Issuer, the Trustee and any additional Paying Agent may deem and treat the person in whose name this Series 2022B Bond is registered as the absolute owner hereof, whether this Series 2022B Bond shall be overdue or not, for the purpose of receiving payment of the principal of, the redemption premium, if any, and interest on this Series 2022B Bond and for all other purposes. All such payments so made to the registered Owner shall be valid and effectual to satisfy and discharge the liability upon this Series 2022B Bond to the extent of the sum or sums so paid, and neither the Issuer, the Trustee nor any additional Paying Agent shall be affected by any notice to the contrary.

The Owner of this Series 2022B Bond shall have no right to enforce the provisions of the Indenture or to institute any action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as otherwise expressly provided in the Indenture. In addition, the right of the owner of this Series 2022B Bond to institute or prosecute a suit for the enforcement of payment hereof or to enter a judgment in any such suit is limited to the extent that such action would result in the surrender, impairment, waiver or loss of the lien of the Indenture for the equal and ratable benefit of all Owners of the Series 2022B Bonds.

This Series 2022B 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.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2022B Bond do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Series 2022B Bond and the issue of which it forms a part, together with all other obligations of the Issuer, does not exceed or violate any constitutional, statutory or corporate limitations.

(Remainder of Page Intentionally Left Blank)

IN WITNESS WHEREOF, WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION has caused this Series 2022B Bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or other authorized officer as of the [] day of [____], 2022.

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

By: _____

Name: Joan McDonald

Title: Chair

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This Series 2022B Bond is one of the Bonds described in the within mentioned Indenture.

UMB BANK, N.A., AS TRUSTEE

Dated: [____ _], 2022

By: _____

Authorized Signatory

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____, (please print or typewrite name and address of transferee) _____ the within Bond and all right and title thereunder, and hereby irrevocably constitutes and appoints _____, attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within bond in every particular, without alteration or enlargement or any change whatever.

SIGNATURE GUARANTEED

MEDALLION GUARANTEED

Authorized Signature

(Signature Guarantee Program Name)

Signature Guarantee by (must be by a member of the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Signature Program in accordance with Securities and Exchange Commission Rule 17Ad-15)

(END OF FORM OF SERIES 2022B BONDS)

EXHIBIT B

(FORM OF REQUISITION)

KENDAL ON HUDSON

_____, 20__

UMB Bank, N.A.

100 William Street, Suite 1850

New York, New York 10038

Attention: Corporate Trust Services

Re: Certificate of Requisition Number __

Ladies and Gentlemen:

This Certificate of Requisition is made pursuant to Section 4.04 of the Indenture of Trust, dated as of [_____] 1, 2022 (the “**Indenture**”), between the Westchester County Local Development Corporation (the “**Issuer**”) and UMB Bank, N.A., as Trustee (the “**Trustee**”). All definitions in the Indenture are hereby incorporated by reference.

We hereby request that the sum of _____ Dollars (\$_____) be disbursed by you to us from the [_____] Account of the Project Fund established and held by you under the Indenture.

Attached hereto as Schedule Number 1 is a general description of the Costs of the Project covered by this Certificate of Requisition and the manner in which such payment is to be made.

In respect of the Cost of the Project described in Schedule Number 1 hereto, we hereby certify that: (1) each obligation paid or payable in connection therewith has been properly recorded on our books, (2) each such obligation is a proper charge against the Project Fund, (3) no such obligation is the basis of any previous withdrawal from the Project Fund, (4) such obligations will not result in less than 95% of the Net Proceeds (including any investment earnings thereon) being used for land or depreciable property, (5) the cost to us of the portion of Improvements or Equipment covered by this Certificate of Requisition is not less than the amount to be paid to us hereunder, (6) none of the items for which requisition is made constitutes equipment (including fixtures) other than equipment listed on an accompanying schedule, and (7) we are not in default under the Loan Agreement and nothing has occurred to our knowledge which prevents performance of our obligations under the Loan Agreement.

Ex B

- 1 -

With respect to this disbursement, we (i) certify that we have reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agree to indemnify and hold harmless UMB Bank, N.A., from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, and (iii) agree we will not seek recourse from UMB Bank, N.A., as a result of losses incurred by it for making the disbursement in accordance with our instructions herein.

KENDAL ON HUDSON

By: _____

An Authorized Representative

SCHEDULE NUMBER 1

SCHEDULE A

SCHEDULE OF DEFINITIONS

“Account” means any Account within any Fund created and maintained pursuant to Section 4.01 of the Indenture.

“Act” means, Section 1411 of the New York Not-For-Profit Corporation Law.

“Act of Bankruptcy” means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the Institution or the Issuer under any applicable bankruptcy, reorganization, insolvency or similar law as is now or hereafter in effect.

“Additional Bonds” or “Series of Additional Bonds” means any Series of Additional Bonds issued by the Issuer on behalf of the Institution pursuant to Section 2.14 of the Indenture.

“Agency Obligations” means bonds, debentures, notes or other evidences of indebtedness issued by Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (including participation certificates), Federal National Mortgage Association, Resolution Funding Corporation of Federal Farm Credit System.

“Applicable Elected Representative” means any Person constituting an “applicable elected representative” within the meaning given to the term in Section 147(f)(2)(E) of the Code.

“Assignment” means the Assignment of Mortgage, dated [_____, 2022], from the Issuer to the Master Trustee.

“Authenticating Agent” means the Trustee.

“Authorized Investments” means and include any of the following securities, if and to the extent the same are permitted under applicable law:

- (i) Government or Equivalent Obligations;
- (ii) Government or Equivalent Obligations which have been stripped of their unmatured interest coupons, interest coupons which have been stripped from Government or Equivalent Obligations, or receipts or certificates evidencing an undivided proportionate interest in payments from a pool of such Government or Equivalent Obligations or stripped interest coupons which are held in a custody or trust account by a commercial bank which is a member of the Federal

Deposit Insurance Organization and which has combined capital, surplus and undivided profits of not less than \$50,000,000;

- (iii) Agency Obligations;
- (iv) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision, provided that (i) such obligations are rated, at the time of purchase thereof, in one of the highest two credit rating categories by a Rating Agency, or (ii) (A) cash, Government or Equivalent Obligations or a combination thereof have been irrevocably pledged to and deposited into a segregated escrow account for the payment when due of the principal or redemption price of and interest on such obligations, (B) any cash pledged and deposited as aforesaid is in such amount and any Government or Equivalent Obligations so pledged and deposited are payable as to principal and interest in such amounts and on such dates as may be necessary, without reinvestment, to provide for the payment when due of the principal or redemption price of and interest on such obligations, (C) such obligations are not subject to redemption prior to maturity except as provided in the terms of such escrow account and (D) such obligations are rated at the time of purchase thereof in the highest credit rating category by a Rating Agency;
- (v) deposits, federal funds or banker's acceptances of any bank, including a branch office of a bank which branch office is located outside the bank's home country, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, and provided such bank (i) has an unsecured, uninsured and unguaranteed obligation rated, at the time of purchase thereof, in one of the two highest rating categories by a Rating Agency, or (ii) is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting the rating requirements in clause (i) above; and provided further that any such obligations are held by the Trustee or by a bank, trust company or national banking association (other than the issuer of such obligation) during the term of such contract;
- (vi) deposits with any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$50,000,000, provided such deposits are fully insured by the Federal Deposit Insurance Corporation;
- (vii) repurchase agreements collateralized by securities described in subsection (a), (b) or (d) above with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated, at the time of purchase thereof, in one of the two highest rating categories by a Rating Agency, provided: (i) a master repurchase agreement or specific written repurchase agreement governs the transaction, (ii) the securities are held, free and clear of liens or claims by third parties, by the Trustee or an independent party acting solely as agent for the Trustee, and such agent is (A)

a Federal Reserve Bank or (B) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25,000,000, and the Trustee shall have received written confirmation from such third party that it holds such securities as agent for the Trustee, free of liens or claims by third parties (iii) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 CFR 306.1 et seq. or 31 CFR 350.0 et seq. in such securities is created for the benefit of the Trustee, (iv) the repurchase agreement has a term of thirty (30) days or less, or the Trustee will value the collateral securities at the current market value thereof no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two (2) Business Days of such valuation, (v) the repurchase agreement provides for repurchase of securities on or prior to any Debt Service Payment Date, and (vi) the fair market value of the securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least one hundred percent (100%);

- (viii) Investment Agreements;
- (ix) investments in money market funds rated in one of the two highest rating categories by a Rating Agency; such funds may include those for which the Trustee or an affiliate of the Trustee provides services for a fee, whether as investment advisor, custodian, transfer agent, sponsor, distributor or otherwise;
- (x) shares of an open-end, diversified investment company which is registered under the Investment Organization Act of 1940, as amended (including without limitation funds of the Trustee or its affiliates), and which (i) invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof having in each instance a final maturity date of not more than one year from the date of purchase; (ii) seeks to maintain a constant net asset value per share; and (iii) has aggregate net assets of not less than \$50,000,000 on the date of purchase of such shares; and
- (xi) commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, in one of the two highest rating categories by a Rating Agency.

“Authorized Representative” means, in the case of the Issuer, the Executive Director, Chair, Vice Chair, or any other authorized member of the Issuer; in the case of the Institution, the Chief Financial Officer of the Institution; and, in the case of either of the Issuer or the Institution, such additional persons as, at the time, are designated to act on behalf of the Issuer or the Institution, as the case may be, by written certificate furnished to the Trustee, the Issuer or the Institution, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the Executive Director, Chair, Vice Chair, or any other authorized member of the Issuer, or (ii) the Institution by the Chief Financial Officer of the Institution.

“Bankruptcy Code” means the United States Bankruptcy Code, as amended from time to time.

“Beneficial Owner” means whenever used with respect to a Bond, the Person in whose name such Bond is recorded as the Beneficial Owner of such Bond by the respective systems of DTC and each of the Participants of DTC. If at any time the Bonds are not held in the Book-Entry System, Beneficial Owner shall mean “Holder” for purposes of the Bond Documents.

“Bond” or “Bonds” means collectively, the Series 2022B Bonds and any Series of Additional Bonds.

“Bond Counsel” means the law firm of Nixon Peabody LLP or an attorney or other firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“Bond Documents” means the Master Indenture, Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Series 2022B Promissory Note, the Mortgage, the Assignment, the Master Indenture, the Series 2022B Obligation, the Continuing Disclosure Agreement, the Preliminary Official Statement and the Official Statement.

“Bond Fund” means the fund so designated which is established by Section 4.01 of the Indenture.

“Bond Purchase Agreement” means the Forward Delivery Purchase Contract, dated [_____, 2022], among the Issuer, the Institution and the Underwriter, as the same may be amended from time to time.

“Bond Proceeds” means the aggregate amount, including any accrued interest, paid to the Issuer by the Bondholders pursuant to the Indenture as the purchase price of the Bonds.

“Bond Rate” means the tax-exempt rate of interest from time to time payable on any of the Bonds as defined therein.

“Bond Registrar” means the Trustee as bond registrar with respect to the Bonds and its successors and assigns in such capacity.

“Bond Resolution” means the resolution duly adopted by the Issuer on [February __, 2022], authorizing the issuance, execution, sale and delivery of the Series of 2022B Bonds and the execution and delivery of Issuer Documents, as such resolution may be amended or supplemented from time to time.

“Bond Year” means with respect to the Bonds, each 1-year period (or shorter period from the date of issue) that ends at the close of business on the day in the calendar year that is selected by the Issuer (and approved by the Institution), which must be the last day of a compounding interval used in computing the yield on the Bonds.

“Bondholder” means Owner.

“Business Day” means any day other than a Saturday, a Sunday, a legal holiday or a day on which banking institutions in New York, New York or any city in which the principal office of the Trustee or any Paying Agent is located are authorized by law or executive order to remain closed.

“Certificate of Authentication” means the certificate executed by an authorized signatory of the Trustee certifying the due authentication of each of the Bonds issued under the Indenture.

“Closing Date” means the date of sale and delivery of the Series 2022B Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and the final, temporary and proposed rules, regulations, rulings and interpretations of the Department of the Treasury promulgated thereunder.

“Computation Period” means “Computation Period” as defined in the Tax Regulatory Agreement.

“Condemnation” means the taking of title to, or the use of, Property under the exercise of the power of eminent domain by any governmental entity or other Person acting under governmental authority.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of [_____, 2022], between the Institution and the Trustee.

“Cost of the Project” or “Costs of the Project” means all those costs and items of expense listed in Section 4.3 of the Loan Agreement.

“Debt Service Payment” means, with respect to any Debt Service Payment Date, (i) the interest payable on such Debt Service Payment Date on all Bonds then Outstanding, plus (ii) the principal or Redemption Price, if any, payable on such Debt Service Payment Date on all such Bonds.

“Debt Service Payment Date” means any date on which a Debt Service Payment shall be payable on any Bonds.

“Dissemination Agent” shall have the meaning ascribed to such term in the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company, New York, New York.

“DTC Letter of Representation” means the Letter of Representation from the Issuer to DTC.

“Equipment” means all machinery, equipment and other personal property used and to be used in connection with the Project and financed with Bond Proceeds.

“Event of Default” (i) when used with respect to the Indenture means any of those events defined as an Event of Default by Section 8.01 of the Indenture, and (ii) when used with respect to the Loan Agreement, means any of the events defined as Events of Default by Section 10.1 of the Loan Agreement.

“Event of Taxability” means:

(i) a final determination by any court of competent jurisdiction or a final determination by the Internal Revenue Service to which the Institution shall consent or from which no timely appeal shall be taken to the effect that interest on the Bonds is includible in the gross income of the owner thereof under Section 61 of the Code; or

(ii) the delivery to the Institution and to the Issuer of an opinion of Bond Counsel (reasonably satisfactory to the Institution) to the effect that interest on the Bonds is includible in the gross income of the owner thereof under Section 61 of the Code.

“Exempt Organization” means an organization described in Section 501(c)(3) of the Code and which is exempt from federal income taxation pursuant to Section 501(a) of the Code.

“Extraordinary Services” and “Extraordinary Expenses” means all services rendered and all fees and expenses incurred by or due to the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses, including reasonable fees and disbursements of Trustee’s counsel.

“Facility” shall have the meaning ascribed thereto in the recitals to the Indenture.

“Fiscal Year” means the twelve (12) month period beginning on January 1 in any year or such other fiscal year as the Institution may select from time to time.

“Fitch” means Fitch Ratings and its successors and assigns.

“Fund” means any Fund created and maintained pursuant to Section 4.01 of the Indenture.

“Government Obligations” has the meaning given to such term in the Master Trust Indenture.

“Government or Equivalent Obligations” means (i) obligations issued or fully guaranteed as to the timely payment of interest and principal by the United States of America; and (ii) certificates evidencing ownership of the right to the payment of the principal of and interest on obligations described in clause (i), provided that such obligations to which such certificates relate are held in the custody of a bank or trust company in a special account separate from the general assets of such custodian.

“Ground Lease” means the Ground Lease, dated as of August 16, 2002, as amended by a First Amendment to Ground Lease, dated as of March 27, 2003, each between Phelps Community Corporation, as lessor, and the Institution, as lessee.

“Hazardous Substance” means, without limitation, any flammable, explosive, radon, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum constituents, petroleum products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, pollutants, or toxic pollutants, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), the Federal Water Pollution Control Act, as amended (33 U.S.C. Sections 1251 et seq.), Articles 17 and 27 of the New York State Environmental Conservation Law, or any other applicable Environmental Law and the regulations promulgated thereunder.

“Holder” means Owner.

“IDA” means the County of Westchester Industrial Development Agency, its successors and assigns.

“Improvements” means all those buildings, improvements, structures and other related facilities (i) financed with Bond Proceeds or of any payment by the Institution pursuant to the Loan Agreement, and (ii) not part of the Equipment, all as they may exist from time to time.

“Indebtedness” has the meaning given to such term in the Master Trust Indenture.

“Indenture” means the Indenture of Trust, dated as of [_____] 1, 2022, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Series 2022B Bonds and the security therefor as the same may be amended or supplemented from time to time.

“Independent Counsel” means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court of any state of the United States of America or in the District of Columbia and not a full time employee of the Issuer, the Institution or the Trustee.

“Independent Engineer” means an engineer or engineering firm registered and qualified to practice the profession of engineering under the laws of the State selected by the Institution and not a full time employee of the Issuer, the Institution or the Trustee.

“Information Report” means Form 8038 used by the issuers of certain tax-exempt bonds to provide the Internal Revenue Service with the information required to monitor the State volume limitations.

“Institution” shall mean Kendal on Hudson, (i) a New York not-for-profit corporation and an organization described in Section 501 (c)(3) of the Code and exempt from federal income taxation

pursuant to Section 501(a) of the Code, located at 1010 Kendal Way, Sleepy Hollow, New York 10591, and (ii) a Member of the Obligated Group.

“Institution Documents” means the Bond Purchase Agreement, the Loan Agreement, the Tax Regulatory Agreement, the Series 2022B Promissory Note, the Series 2022B Obligation, the Master Indenture, the Mortgage, the Continuing Disclosure Agreement, the Preliminary Official Statement, and the Official Statement.

“Interest Account” means the Interest Account within the Bond Fund so designated which is established by Section 4.01 of the Indenture.

“Investment Agreement” means an agreement with, or which is guaranteed by, a financial institution or financial services company which has an unsecured, uninsured and unguaranteed obligation rated, at the time such agreement is entered into, in one of the two highest rating categories by a Rating Agency, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, or is an insurance company or insurance holding company with a claims paying ability rated in one of the two highest categories, provided (i) interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with the Debt Service Payment Dates, (ii) moneys invested thereunder may be withdrawn without any penalty, premium or charge upon not more than seven days’ notice for withdrawals permitted under the Indenture (provided such notice may be amended or canceled at any time prior to the withdrawal date); except with regard to an investment agreement relating to capitalized interest held in the Project Fund, which may provide that moneys may be withdrawn only on the Debt Service Payment Dates on which such capitalized interest is to be paid, (iii) the agreement is not subordinated to any other obligations of such financial institution or bank and (iv) the Trustee receives an opinion of counsel that such agreement is an enforceable obligation of such financial institution.

“Issuer” means (i) the Westchester County Local Development Corporation, its successors and assigns, and (ii) any local governmental body resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

“Issuer Documents” means the Bond Purchase Agreement, the Bonds, the Loan Agreement, the Indenture, the Assignment, the Tax Regulatory Agreement, the Information Report, the Preliminary Official Statement and the Official Statement.

“Land” shall have the meaning set forth in the recitals of the Indenture.

“Lien” means any interest in Property securing an obligation owed to a Person whether such interest is based on the common law, statute or contract, and including but not limited to the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” also means any reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other similar title exceptions and encumbrances, including but not limited to mechanics’

materialmen's, warehousemen's, carriers' and other similar encumbrances affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

"Loan Agreement" means the Loan Agreement, dated as of [_____] 1, 2022 by and among the Issuer and the Institution, or any other Loan Agreement entered into in connection with any Series of Additional Bonds, as the same may be amended from time to time.

"Loan Term" means the duration of the loan term created in the Loan Agreement.

"Manager" means Kendal New York, or any successor management company appointed by the Institution to supervise the operation and management of the Project.

"Master Lease" means the Master Ground Lease, dated as of August 2, 2001, between Phelps Memorial Hospital Association, as lessor, and Phelps Community Corporation, as lessee, as supplemented and amended by the Master Lessor's Estoppel and Confirmation, dated April 30, 2003, and the Master Lessors' Estoppel and Confirmation, dated December 20, 2007.

"Master Indenture" means the Master Trust Indenture, as the same may be amended, modified or supplemented from time to time, including as supplemented by the First Supplemental Master Trust Indenture, dated as of [February __, 2022], and by the Second Supplemental Master Trust Indenture, dated as of [_____, 2022], and each between the Member of the Obligated Group and the Master Trustee.

"Master Trust Indenture" means the Master Trust Indenture, dated as of [February] 1, 2022, by and between the Member of the Obligated Group and the Master Trustee.

"Master Trustee" means UMB Bank, N.A., a national banking association, its successor and assigns, in its capacity as trustee under the Master Trust Indenture.

"Moody's" means Moody's Investor Service.

"Mortgage" means the Leasehold Mortgage and Security Agreement, dated as of [_____] 1, 2022, from the Institution to the Issuer.

"Net Proceeds" means so much of the gross proceeds with respect to which that term is used as remain after payment of all fees, expenses, costs and taxes (including attorneys' fees) incurred in obtaining such gross proceeds.

"Obligated Group Member" or "Member of the Obligated Group" means the Institution and any additional members admitted to the Obligated Group in accordance with the provisions of the Master Trust Indenture.

“Obligations” means those obligations entered into under the Master Trust Indenture to secure the obligations of Obligated Group Members.

“Office of the Trustee” means the principal corporate trust office of the Trustee, as specified in Section 12.04 of the Indenture, or such other address as the Trustee shall designate.

“Officer’s Certificate” has the meaning given to such term in the Master Trust Indenture.

“Official Statement” means the Official Statement, dated [_____, 2022], distributed by the Underwriter and the Institution in connection with the sale of the Bonds.

“Operating Revenues” has the meaning given to such term in the Master Trust Indenture.

“Ordinary Services” and “Ordinary Expenses” means those services normally rendered and those fees and expenses normally incurred by or due to a trustee or paying agent, as the case may be, under instruments similar to the Indenture, including reasonable fees and disbursements of counsel for the Trustee.

“Outstanding” or “Bonds Outstanding” or “Outstanding Bonds” means all bonds which have been authenticated by the Trustee and delivered by the Issuer under the Indenture, or any supplement thereto, except: (i) any Bond cancelled by the Trustee because of payment or redemption prior to maturity; (ii) any bond deemed paid in accordance with the provisions of Section 7.01 of the Indenture, except that any such Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being exchanged or registered; and (iii) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Section 2.11 of the Indenture, unless proof satisfactory to the Trustee is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been authenticated and delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

“Owner” or “Owners” means the registered owner of any Bond as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture.

“Paying Agent” means the Trustee, acting as such, and any additional paying agent for the Bonds appointed pursuant to Article IX of the Indenture, their respective successors and any other corporation which may at any time be substituted in their respective places pursuant to the Indenture.

“Participants” means 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.

“Permitted Liens” has the meaning given to such term in the Master Trust Indenture.

“Person” or “Persons” means an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

“Pledged Assets” has the meaning given to such term in the Master Trust Indenture.

“Preliminary Official Statement” means the Preliminary Official Statement, dated [_____, 2022], distributed by the Underwriter and the Institution in connection with the sale of the Series 2022B Bonds.

“Principal Account” means the Principal Account within the Bond Fund so designated which is established by Section 4.01 of the Indenture.

“Project” shall have the meaning set forth in the recitals of the Indenture.

“Project Fund” means the fund so designated which is created by Section 4.01 of the Indenture.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Rating Agency” means Moody’s, Fitch, S&P or such other nationally recognized rating agency which shall have issued and is maintaining a rating on the Bonds.

“Rating Agency Letter” means the rating letter from each Rating Agency assigning a rating on the Bonds.

“Rebate Amount” means the amount computed as described in Section 8.5 of the Tax Regulatory Agreement.

“Rebate Fund” means the fund so designated pursuant to Section 4.01 of the Indenture.

“Record Date” means, with respect to any Debt Service Payment Date, the fifteenth (15th) day of the month next preceding such Debt Service Payment Date (whether or not a Business Day).

“Redemption Date” means, when used with respect to a Bond, the date of redemption thereof established pursuant to Section 3.01 of the Indenture.

“Redemption Price” means, when used with respect to a Bond, the principal amount thereof plus the applicable premium, if any, payable upon the prior redemption thereof pursuant to the Indenture.

“Refunding Bonds” shall have the meaning ascribed thereto in Section 2.14(c) of the Indenture.

“Schedule of Definitions” means the words and terms set forth in this Schedule of Definitions attached to the Indenture as the same may be amended from time to time.

“Securities Depository” means 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.

“SEQR Act” means the State Environmental Quality Review Act and the regulations thereunder.

“Series” or “Series of Bonds” means any series of Bonds issued for the benefit of the Institution under the Indenture.

“Series 2003A Bonds” means the IDA’s Continuing Care Retirement Community Fixed Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003A) issued in the original aggregate principal amount of \$65,070,000.

“Series 2003B Bonds” means the IDA’s Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project - Series 2003B) issued in the original aggregate principal amount of \$7,000,000.

“Series 2007 Bonds” means the IDA’s Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2007) issued in the original aggregate principal amount of \$41,350,000.

“Series 2013 Bonds” means the Issuer’s Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013) issued in the original aggregate principal amount of \$64,330,000.

“Series 2013 Trustee” means U.S. Bank National Association, as trustee with respect to the Series 2013 Bonds.

“Series 2022B Bonds” means the Issuer’s Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery) issued pursuant to the terms of the Indenture on [_____, 2022] in the aggregate principal amount of \$[39,315,000] and substantially in the form of Exhibit A-1 of the Indenture.

“Series 2022B Project Account” means the account so designated in the Project Fund which is created by Section 4.01 of the Indenture.

“Series 2022B Obligation” means Obligation No. 3 - 2022, dated [_____, 2022], issued pursuant to the Second Supplemental Master Trust Indenture as security for the Series 2022B Bonds.

“Series 2022B Promissory Note” means the Promissory Note dated the Closing Date from the Institution to the Issuer, substantially in the form of Exhibit B to the Loan Agreement, evidencing the Institution’s obligations to make loan payments to the Issuer.

“Sinking Fund Payments” means payments made on a Debt Service Payment Date to pay the Redemption Price of bonds called for redemption pursuant to Section 3.01(d) of the Indenture.

“S&P” or “Standard & Poor’s” means Standard & Poor’s Financial Services LLC, a Delaware limited liability company which is a subsidiary of McGraw Hill Financial, Inc.

“State” means the State of New York.

“Subaccount” means any subaccount established for a particular Series of Bonds in any Account in any Fund created and maintained pursuant to Section 4.01 of the Indenture.

“Substitute Facility” shall have the meaning ascribed thereto in Section 7.2 of the Loan Agreement.

“Supplemental Indenture” means any indenture supplemental to or amendatory of the Indenture or in connection with the issuance of any Additional Bonds adopted by the Issuer in accordance with Article X of the Indenture.

“Tax-Exempt Bonds” means the Series 2022B Bonds and any Additional Bonds issued hereunder as bonds the interest on which is excluded from gross income for federal income tax purposes.

“Tax Regulatory Agreement” means the Tax Regulatory Agreement, dated the Closing Date, between the Issuer and the Institution and acknowledged by the Trustee, as the same may be amended, modified or supplemented from time to time in accordance with the terms thereof and with the terms of the Indenture, or any other Tax Regulatory Agreement entered into in connection with any Series of Additional Bonds which are Tax-Exempt Bonds.

“Trust Estate” means the rights assigned pursuant to the Indenture and all Property which may from time to time be subject to the lien of the Indenture.

“Trustee” means (i) UMB Bank, N.A., a national banking association, having a corporate trust office at 100 William Street, Suite 1850, New York, New York 10038, Attention: Corporate Trust Services, in its capacity as trustee hereunder, and (ii) its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee hereunder.

“Unassigned Rights” means the rights of the Issuer and moneys payable pursuant to and under Sections 5.3(b), 6.4(c) and (d), 6.5, 6.7, 8.2, 8.3, 8.6, 8.8, 8.12, 9.1, 9.3, 10.2(a)(i)(A) and (B) and (iii) 10.4(a) and 11.2(b) of the Loan Agreement.

“Uniform Commercial Code” or “UCC” means the Uniform Commercial Code of the State of New York.

“Underwriter” means, (i) Herbert J. Sims & Co., Inc., having an office at 2400 Market Street, Suite 200, Philadelphia, Pennsylvania 19103, and (ii) its successors and assigns.

NP Draft Dated 2/3/22

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION
(WESTCHESTER COUNTY, NEW YORK)

and

KENDAL ON HUDSON

LOAN AGREEMENT

Dated as of [_____] 1, 2022

[\$39,315,000]

Westchester County Local Development Corporation

Revenue Refunding Bonds, Series 2022B

(Kendal on Hudson Project) (Forward Delivery)

TABLE OF CONTENTS

Page

RECITALS	1
ARTICLE I DEFINITIONS	3
ARTICLE II REPRESENTATIONS AND COVENANTS	3
Section 2.1 Representations and Covenants of Issuer	3
Section 2.2 Representations and Covenants of Institution	4
Section 2.3 Covenant with Owners	5
ARTICLE III TITLE TO FACILITIES	5
Section 3.1 Warranty of Title	5
ARTICLE IV FINANCING OF PROJECT; ISSUANCE OF THE SERIES 2022B Bonds	5
Section 4.1 Financing of Project	5
Section 4.2 Issuance of the Series 2022B Bonds; Disbursement of Bond Proceeds	5
Section 4.3 Application of Bond Proceeds	6
Section 4.4 Reserved	6
Section 4.5 Completion by Institution	6
Section 4.6 Reserved	6
Section 4.7 Remedies to Be Pursued Against Contractors, Subcontractors, Materialmen and Their Sureties	6
Section 4.8 Covenant; Arbitrage Bond Covenant	7
ARTICLE V LOAN PROVISIONS	7
Section 5.1 Loan of Series 2022B Bond Proceeds	7
Section 5.2	7
Section 5.3 Loan Payments and Other Amounts Payable	7
Section 5.4 Obligations of Institution Hereunder Unconditional	8
Section 5.5 Payment of Additional Moneys in Prepayment of Series 2022B Bonds	8
Section 5.6 Rights and Obligations of the Institution upon Prepayment of Series 2022B Bonds	8
ARTICLE VI MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE	9
Section 6.1 Maintenance and Modifications of Facility by Institution	9
Section 6.2 Reserved	9
Section 6.3 Taxes, Assessments and Utility Charges	9

Section 6.4 Insurance Required	10
Section 6.5 Additional Provisions Respecting Insurance	11
Section 6.6 Application of Net Proceeds of Insurance	12
Section 6.7 Right of Trustee or Master Trustee to Pay Taxes, Insurance Premiums and Other Charges	12
ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION	13
Section 7.1 Damage or Destruction of the Facility	13
Section 7.2 Condemnation	14
Section 7.3 Condemnation or Casualty of Non-Project Property	16
Section 7.4 Recovery Against Contractor, Etc	16
ARTICLE VIII SPECIAL COVENANTS	16
Section 8.2 Hold Harmless Provisions	17
Section 8.3 Right to Inspect Facility	17
Section 8.4 Institution to Maintain Its Existence	17
Section 8.5 Qualification in State	18
Section 8.6 Agreement to Provide Information	18
Section 8.7 Reserved	18
Section 8.8 Compliance with Orders, Ordinances, Etc	18
Section 8.9 Discharge of Liens and Encumbrances	20
Section 8.10 Identification of Equipment	20
Section 8.11 Depreciation Deductions and Investment Tax Credit	20
Section 8.12 Employment Opportunities, Notice of Jobs	20
Section 8.13 Additional Encumbrances and Indebtedness	21
Section 8.14. Certain Additional Covenants	21
Section 8.15. Continuing Disclosure Agreement	21
Section 8.16. Securities Law Status	21
Section 8.17. Rebate Covenant	21
Section 8.18. Reliance by Trustee	21
ARTICLE IX RELEASE OF CERTAIN LAND; ASSIGNMENTS AND LEASING; AND PLEDGE OF INTERESTS	21
Section 9.1 Restriction on Sale of Facility; Release of Certain Land	22
Section 9.2 Removal of Equipment	22

Section 9.3	Assignment, Leasing and Subleasing	22
Section 9.4	Pledge of Issuer's Interests to Trustee	23
Section 9.5	Merger of Issuer	23
ARTICLE X EVENTS OF DEFAULT AND REMEDIES		24
Section 10.1	Events of Default Defined	24
Section 10.2	Remedies on Default	26
Section 10.3	Remedies Cumulative	27
Section 10.4	Agreement to Pay Attorneys' Fees and Expenses	27
Section 10.5	No Additional Waiver Implied by One Waiver	27
ARTICLE XI EARLY TERMINATION OF LOAN AGREEMENT; OPTION IN FAVOR OF INSTITUTION		27
Section 11.1	Early Termination of Loan Agreement	27
Section 11.2	Conditions to Early Termination of Loan Agreement	28
Section 11.3	Amounts Remaining on Deposit with the Trustee upon Payment of Bonds	28
ARTICLE XII MISCELLANEOUS		28
Section 12.1	Notices	28
Section 12.2	Binding Effect	29
Section 12.3	Severability	29
Section 12.4	Amendments, Changes and Modifications	30
Section 12.5	Execution of Counterparts	30
Section 12.7	List of Additional Equipment; Further Assurances	30
Section 12.8	Survival of Obligations	30
Section 12.9	Table of Contents and Section Headings not Controlling	30
Section 12.10	USA Patriot Act Section 326 Customer Identification Program	30
EXHIBIT A	EQUIPMENT	
EXHIBIT B	FORM OF SERIES 2022B PROMISSORY NOTE	

THIS LOAN AGREEMENT, dated as of [_____] 1, 2022 (this “**Loan Agreement**”), is by and between the WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION, a not-for-profit local development corporation existing under the laws of the State of New York, having its principal office at Michaelian Office Building, Room 903, 148 Martine Avenue, White Plains, New York 10601 (the “**Issuer**”), and KENDAL ON HUDSON, a New York not-for-profit corporation and an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and exempt from federal income taxation pursuant to Section 501(a) of the Code, located at 1010 Kendal Way, Sleepy Hollow, New York 10591 (the “**Institution**”).

RECITALS

WHEREAS, the Issuer was created pursuant to and in accordance with the provisions of Section 1411 of the New York Not-for-Profit Corporation Law (the “**Act**”) and is empowered under the Act to undertake the providing of projects of a character such as the Project for the public purposes of the State of New York (the “**State**”); and

WHEREAS, the Issuer proposes to issue its Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery) as qualified 501(c)(3) bonds under Section 145 of the Code in the principal amount of \$[39,315,000] (the “**Series 2022B Bonds**”), on behalf of and for the benefit of the Institution; and

WHEREAS, the Series 2022B Bonds will be issued to finance the following (collectively, the “**Project**”):

- (A) the refinancing of the Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013) (the “**Series 2013 Bonds**”) issued by the Issuer, in the original aggregate principal amount of \$64,330,000, approximately \$[45,000,000] of which are currently outstanding and the proceeds of which Series 2013 Bonds were used for (i) the refinancing of the Continuing Care Retirement Community Fixed Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2003A) (the “**Series 2003A Bonds**”) issued by the County of Westchester Industrial Development Agency (the “**IDA**”), in the original aggregate principal amount of \$65,070,000, approximately \$21,465,000 of which were outstanding and the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2003B) (the “**Series 2003B Bonds**”); and, together with the Series 2003A Bonds, the “**Series 2003 Bonds**”) issued by the IDA in the original aggregate principal amount of \$7,000,000, approximately \$6,425,000 of which were outstanding and the proceeds of which Series 2003 Bonds were used to fund a portion of the cost of the acquisition, construction and equipping of the continuing care retirement community known as “Kendal on Hudson” and related structures, and the acquisition and installation of machinery and equipment in connection therewith (the “**Facility**”), all for the establishment of a continuing care retirement community owned and operated by the Institution for the benefit of eligible senior citizens, which then consisted of 222 independent living units, 24 enriched housing units, 42 skilled nursing facility beds, common areas and related infrastructure such as roads, sewers, utilities, parking lots, drainage areas, ponds and maintenance facilities located on leased premises, consisting of 21 acres and with an address of 1010 Kendal Way in the Village of Sleepy

Hollow, Town of Mount Pleasant, Westchester County, New York (the “**Land**”); and (ii) the refinancing of the Continuing Care Retirement Community Adjustable Rate Mortgage Revenue Bonds (Kendal on Hudson Project – Series 2007) issued by the IDA in the original aggregate principal amount of \$41,350,000 (the “**Series 2007 Bonds**”), approximately \$40,710,000 of which Series 2007 Bonds were outstanding and the proceeds of which were originally used to refinance a portion of the Series 2003A Bonds; and (iii) the paying of all or a portion of the costs incidental to the issuance of the Series 2013 Bonds, including issuance costs of the Series 2013 Bonds, capitalized interest, if required, and any reserve funds necessary to secure the Series 2013 Bonds; and

- (B) the payment of all or a portion of the costs incidental to the issuance of the Series 2022B Bonds, including issuance costs of the Series 2022B Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2022B Bonds; and

WHEREAS, the Issuer is issuing the Series 2022B Bonds pursuant to the terms of an Indenture of Trust, dated as of [_____] 1, 2022 (the “**Indenture**”), by and between the Issuer and UMB Bank, N.A., as trustee (the “**Trustee**”); and

WHEREAS, contemporaneously with the execution of the Indenture, the Issuer will loan a portion of the proceeds of the Series 2022B Bonds to the Institution for the purposes of financing the costs of the Project; and

[WHEREAS, the Institution has agreed to secure the payment obligations of the Institution under the Loan Agreement and the Series 2022B Bonds by the issuance of the Institution’s [Obligation No. 3 – 2022], dated [_____] 1, 2022 (the “**Series 2022B Obligation**”), pursuant to the terms of the Master Trust Indenture dated as of [February] 1, 2022 (the “**Master Trust Indenture**”), by and between the Institution and UMB Bank, N.A., as master trustee (the “**Master Trustee**”), as amended and supplemented, including as amended and supplemented by (i) the First Supplemental Master Trust Indenture, dated as of February] 1, 2022 (the “**Supplement No. 1**”), and (ii) the Second Supplemental Master Trust Indenture, dated as of [_____] 1, 2022 (the “**Supplement No. 2**”; and, together with the Supplement No. 1, collectively with the Master Trust Indenture, the “**Master Indenture**”), which Series 2022B Obligation, together with the Loan Agreement, will be assigned by the Issuer to the Trustee pursuant to the Indenture as security for the Series 2022B Bonds; and]

WHEREAS, the Series 2022B Obligation and all Obligations issued pursuant to the Master Indenture will be secured by (i) a Leasehold Mortgage and Security Agreement, dated as of [_____] 1, 2022 (the “**Mortgage**”), from the Institution to the Issuer, which Mortgage shall be assigned by the Issuer to the Master Trustee pursuant to an Assignment of Mortgage, dated [_____] 1, 2022 (the “**Assignment**”), from the Issuer to the Master Trustee, and (ii) a pledge of Pledged Assets of the Obligated Group Members under the Master Indenture; and

WHEREAS, simultaneously with the issuance of the Series 2022B Bonds, the Institution will execute and deliver to the Issuer a promissory note evidencing the loan by the Issuer to the Institution of the proceeds of the Series 2022B Bonds, which promissory note will

be endorsed by the Issuer, without recourse, to the Trustee and will be in substantially the form attached hereto as Exhibit B (the “**Series 2022B Promissory Note**”); and

WHEREAS, the execution and delivery of the Indenture and this Loan Agreement and the issuance of the Series 2022B Bonds under the Act as herein provided have been in all respects approved and duly and validly authorized by resolutions duly adopted by the Issuer.

AGREEMENT

For and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby mutually agree as follows:

ARTICLE I DEFINITIONS

All capitalized terms used in this Loan Agreement and not otherwise defined herein shall have the meanings assigned thereto in the Schedule of Definitions attached to the Indenture, which meanings are incorporated herein and made a part hereof by reference.

ARTICLE II REPRESENTATIONS AND COVENANTS

Section 2.1 Representations and Covenants of Issuer. The Issuer makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Issuer is duly established and validly existing under the provisions of the Act and has full legal right, power and authority to execute, deliver and perform each of the Issuer Documents and the other documents contemplated thereby. Each of the Issuer Documents and the other documents contemplated thereby has been duly authorized, executed and delivered by the Issuer.

(b) The Issuer will cause the Project to be financed and will loan the Bond Proceeds to the Institution pursuant to this Loan Agreement.

(c) To finance the Project, the Issuer will issue the Series 2022B Bonds in the aggregate principal amount of \$[39,315,000]. The Series 2022B Bonds will be issued, mature, bear interest, be redeemable and have other terms and provisions as provided for in the Series 2022B Bonds and the Indenture.

(d) By Certificate of Approval duly executed on [February __], 2022, the Applicable Elected Representative, based upon a review of the materials submitted and the representations made by the Institution relating to the Project, approved issuance of the Series 2022B Bonds pursuant to Section 147(f) of the Code.

(e) Neither the execution and delivery of any of the Issuer Documents or the other documents contemplated thereby, or the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Issuer Documents or the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of the Act, any other law or ordinance of the State or any political subdivision thereof, the Issuer’s Certificate of Incorporation or By-Laws, as amended, or any corporate restriction or any agreement or instrument to which the Issuer is a party or by which it is bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Issuer under the terms of

the Act or any such law, ordinance, Certificate of Incorporation, By-Laws, restriction, agreement or instrument, except for Permitted Liens.

(f) Each of the Issuer Documents and the other documents contemplated thereby constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms.

Section 2.2 Representations and Covenants of Institution. The Institution makes the following representations and covenants as the basis for the undertakings on its part herein contained:

(a) The Institution is a not-for-profit corporation duly organized and validly existing under the laws of the State, is subsisting under the laws of the State, and has full legal right, power and authority to execute, deliver and perform each of the Institution Documents and the other documents contemplated thereby. The Institution Documents and the other documents contemplated thereby have been duly authorized, executed and delivered by the Institution.

(b) The Institution (i) is an Exempt Organization and is not a “private foundation,” as such term is defined under Section 509(a) of the Code, (ii) has received a letter or other notification from the Internal Revenue Service to that effect, and such letter or other notification has not been modified, limited or revoked, (iii) is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification, and the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist, and (iv) is exempt from federal income taxes under Section 501(a) of the Code.

(c) Neither the execution and delivery of any of the Institution Documents or the other documents contemplated thereby nor the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Institution Documents or the other documents contemplated thereby will conflict with or result in a breach of or constitute a default under any of the terms, conditions or provisions of any applicable law or ordinance of the State or any political subdivision thereof, of the Institution’s Certificate of Incorporation or By-Laws, as amended, or any corporate restriction or any agreement or instrument to which the Institution is a party or by which it is bound which would have a material adverse effect on the Institution or the transaction, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Institution under the terms of any such law, ordinance, Certificate of Incorporation, By-Laws, restriction, agreement or instrument, except for Permitted Liens.

(d) There is no action, suit, investigation or proceeding pending or, to the knowledge of the Institution, threatened against the Institution or any properties or rights of the Institution before any court, arbitrator or administrative or governmental body which if adversely determined would result in any materially adverse change in the business, condition or operations of the Institution or which if adversely determined would materially adversely affect the ability of the Institution to comply with this Loan Agreement.

(e) The Facility and the operation thereof will conform with all applicable zoning, planning, building and environmental laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Institution and the Facility.

(f) Reserved.

(g) Each of the Institution Documents and the other documents contemplated thereby to which the Institution is a party constitutes a valid and binding obligation of the

Institution enforceable against the Institution in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization or other laws relating to or affecting the enforcement of creditor's rights generally, and subject to usual principles of equity.

(h) The Institution agrees that it (i) shall not perform any act or enter into any agreement which would adversely affect its status as an Exempt Organization and shall conduct its operations in a manner which conforms to the standards necessary to qualify the Institution as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provisions of federal income tax law, and (ii) shall not perform any act, enter into any agreement or use or permit the Facility, or any portion thereof, to be used in any manner, or for any trade or business or other non-exempt use related to the purposes of the Institution, which would adversely affect the exclusion of interest on the Series 2022B Bonds from federal gross income pursuant to Section 103 of the Code.

(i) The Institution agrees that neither it nor any related party to the Institution (as defined in Treas. Reg. § 1.150-1(b)) will purchase any of the Series 2022B Bonds in an amount related to the obligation represented by this Loan Agreement.

Section 2.3 Covenant with Owners. The Issuer and the Institution agree that this Loan Agreement and the Tax Regulatory Agreement are executed in part to induce the purchase by others of the Series 2022B Bonds. Accordingly, all covenants and agreements on the part of the Issuer and the Institution set forth in this Loan Agreement and in the Tax Regulatory Agreement are hereby declared to be for the benefit of the Owners from time to time of the Series 2022B Bonds.

ARTICLE III TITLE TO FACILITIES

Section 3.1 Warranty of Title. The Institution hereby covenants and warrants to the Issuer and to the Trustee that the Institution has good and marketable leasehold title in and to the Facility, except for Permitted Liens.

ARTICLE IV

FINANCING OF PROJECT; ISSUANCE OF THE SERIES 2022B Bonds

Section 4.1 Financing of Project. The Institution agrees that the Bond Proceeds of the Series 2022B Bond will be used to pay the costs of the Project.

Section 4.2 Issuance of the Series 2022B Bonds; Disbursement of Bond Proceeds. In order to provide funds for payment of the Costs of the Project, together with other payments and incidental expenses in connection therewith, the Issuer agrees that it will authorize, issue, sell and cause the Series 2022B Bonds to be delivered on the terms set forth in the Indenture. Bond Proceeds shall be disbursed in accordance with the provisions of the Indenture and Section 4.3 hereof.

Section 4.3 Application of Bond Proceeds. Except as provided in Section 10.2(a)(ii) hereof, the Bond Proceeds, upon the written direction of an Authorized Representative of the Institution and on the conditions provided for in the Indenture, shall be applied to pay only the following costs and items of expense paid by or on behalf of the Issuer on or after the Closing Date, except as may otherwise be provided under the Tax Regulatory Agreement or included in a resolution of the Board of Directors of the Institution indicating an intent to reimburse the Institution for costs of the Project incurred prior to that date:

- (i) all costs of financing the Project,
- (ii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, any documents that the Issuer or the Trustee may deem desirable in order to protect or perfect any security interest contemplated by the Indenture,
- (iii) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Series 2022B Bonds and the Bond Documents and all other documents in connection herewith or therewith, and with any other transaction contemplated by this Loan Agreement or the Indenture,
- (iv) any administrative fee and fee for services of the Issuer, or
- (v) reimbursement to the Institution for any of the above-enumerated costs and expenses.

Section 4.4 Reserved.

Section 4.5 Completion by Institution.

(a) In the event that the Net Proceeds of the Series 2022B Bonds are not sufficient to pay in full all costs of the Project, the Institution agrees to pay, for the benefit of the Issuer and the Trustee, all such sums as may be in excess of the Net Proceeds of the Series 2022B Bonds.

(b) The Institution shall not be entitled to any reimbursement for such excess cost or expense from the Issuer or the Trustee or the Owners of any of the Series 2022B Bonds, nor shall it be entitled to any diminution or abatement of any other amounts payable by the Institution under this Loan Agreement.

Section 4.6 Reserved.

Section 4.7 Remedies to Be Pursued Against Contractors, Subcontractors, Materialmen and Their Sureties. In the event of a default by any contractor, subcontractor, materialman or other Person under any contract made by it in connection with the Facility, or in the event of a breach of warranty or other liability with respect to any materials, workmanship or performance guaranty, the Institution, at its expense, either separately or in conjunction with others, may pursue any and all remedies available to it against the contractor, subcontractor, materialman or other Person so in default and against any surety for the performance of such contract. The Institution may prosecute or defend any action or proceeding or take any other action involving any such contractor, subcontractor, materialman, surety or other Person which the Institution deems reasonably necessary. The Net Proceeds of

any recovery from a contractor, subcontractor, materialman or other Person shall be applied as provided in Section 7.4 hereof.

Section 4.8 Covenant; Arbitrage Bond Covenant. The Issuer and the Institution covenant that (i) they will comply with the provisions of the Code required to preserve the exclusion from gross income of interest on the Series 2022B Bonds for Federal income tax purposes, and (ii) they will not use or permit the use of any proceeds of the Series 2022B Bonds in any manner which would cause the Series 2022B Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

ARTICLE V LOAN PROVISIONS

Section 5.1 Loan of Series 2022B Bond Proceeds. The Issuer hereby agrees to loan the Bond Proceeds to the Institution in accordance with the provisions of this Loan Agreement. The Bond Proceeds shall be disbursed to the Institution in accordance with the provisions of Section 4.3 hereof, the Indenture and the Tax Regulatory Agreement.

Section 5.2 . Reserved.

Section 5.3 Loan Payments and Other Amounts Payable.

(a) The Institution shall pay as basic loan payments for the Project at least five (5) Business Days before each Debt Service Payment Date, directly to the Trustee, in immediately available funds an amount equal to the interest component of the next Debt Service Payment becoming due and payable on the Series 2022B Bonds. The Institution shall also pay as basic loan payments for the Project five (5) Business Days before the first day of each Debt Service Payment Date with respect to the payment of principal or Sinking Fund Payments directly to the Trustee, in immediately available funds, an amount equal to the principal and/or Sinking Fund Payment next becoming due and payable on the Series 2022B Bonds; provided, however, the Institution shall receive credit against such amounts due and owing under this Section 5.3(a) for any amounts on deposit in the Bond Fund for the payment of principal and interest on the Series 2022B Bonds.

(b) In addition to the Loan Payments pursuant to Section 5.3(a) hereof, throughout the Loan Term, the Institution shall pay to the Issuer as additional loan payments, within thirty (30) days of the receipt of demand therefor, an amount equal to the sum of the out-of-pocket expenses of the Issuer and the members thereof actually incurred (i) by reason of the Issuer’s financing of the Project, or (ii) in connection with the carrying out of the Issuer’s duties and obligations under the Issuer Documents, the payment of which is not otherwise provided for under this Loan Agreement. The foregoing shall not be deemed to include any annual or continuing administrative or management fee beyond any initial administrative fee or fee for services rendered by the Issuer.

(c) In addition, the Institution shall pay as additional loan payments within thirty (30) days after receipt of a written demand therefor the Ordinary Services, Ordinary Expenses, Extraordinary Services and Extraordinary Expenses payable to the Trustee pursuant to and under the Indenture.

(d) The Institution, under the provisions of this Section 5.3, agrees to make the above-mentioned payments in immediately available funds and without any further notice in

lawful money of the United States of America. In the event the Institution shall fail timely to make any payment required in Section 5.3(a), the Institution shall pay the same together with all late payment penalties specified in the Bonds. In the event the Institution shall fail timely to make any payment required in Section 5.3(b), the Institution shall pay the same together with interest on such payment at the per annum rate of ten percent (10%), but in no event at a rate higher than the maximum lawful prevailing rate, from the date on which such payment was due until the date on which such payment is made.

Section 5.4 Obligations of Institution Hereunder Unconditional. The obligations of the Institution to make the payments required in Section 5.3 hereof, and to perform and observe any and all of the other covenants and agreements on its part contained herein, shall be a general obligation of the Institution, and shall be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment or counterclaim it may otherwise have against the Issuer. The Institution agrees it will not (i) suspend, discontinue or abate any payment required hereunder, (ii) fail to observe any of its other covenants or agreements in this Loan Agreement, or (iii) terminate this Loan Agreement for any cause whatsoever unless and until the Series 2022B Bonds, including premium, if any, and interest thereon, have been paid or provided for in the Financing Documents.

Subject to the foregoing provisions, nothing contained in this Section 5.4 shall be construed to release the Issuer from the performance of any of the agreements on its part contained in this Loan Agreement or to affect the right of the Institution to seek reimbursement, and in the event the Issuer should fail to perform any such agreement, the Institution may institute such separate action against the Issuer as the Institution may deem necessary to compel performance or recover damages for non-performance.

Section 5.5 Payment of Additional Moneys in Prepayment of Series 2022B Bonds. In addition to any other moneys required or permitted to be paid pursuant to this Loan Agreement, the Institution may, subject to the terms of the Indenture, pay moneys to the Trustee (i) to be applied as the prepayment of amounts to become due and payable by the Institution pursuant to Section 5.3(a) hereof and the Series 2022B Promissory Note, or (ii) to be used for the redemption or prepayment of any Series 2022B Bonds, including a purchase in lieu of redemption that the Institution may direct pursuant to the terms of the Indenture, at such time or times and on such terms and conditions as is provided in such Series 2022B Bonds and in the Indenture. The Institution shall notify the Issuer and the Trustee in writing that any such payment shall be applied as provided in this Section 5.5.

Section 5.6 Rights and Obligations of the Institution upon Prepayment of Series 2022B Bonds. In the event the Series 2022B Bonds shall have been paid in full prior to the termination of this Loan Agreement, or provision for such payment shall have been made in accordance with the Indenture, the Issuer, at the sole cost of the Institution, shall promptly obtain and record or file appropriate terminations, discharges or releases of any security interest relating to the Facility or under the Indenture.

ARTICLE VI MAINTENANCE, MODIFICATIONS, TAXES AND INSURANCE

Section 6.1 Maintenance and Modifications of Facility by Institution.

(a) The Institution shall not abandon the Facility for a period of thirty (30) consecutive days or more or cause or permit any waste to the Improvements. During the Loan Term, the Institution shall not remove any part of the Facility outside of the jurisdiction of the Issuer and shall (i) keep the Facility in as reasonably safe condition as their operations shall permit; (ii) make all reasonably necessary repairs and replacements to the Facility (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); and (iii) operate the Facility in a commercially reasonable manner.

(b) Without the consent of the Issuer, the Institution, from time to time, may make any material structural additions, modifications or improvements to the Facility or any part thereof, provided (i) such actions do not adversely affect the structural integrity of the Facility, (ii) such actions do not materially change the nature of the Facility, and (iii) such actions do not materially impair the use of the Facility or materially decrease their value. All such additions, modifications or improvements made by the Institution shall become a part of the Facility.

Section 6.2 Reserved.

Section 6.3 Taxes, Assessments and Utility Charges.

(a) The Institution agrees to pay, as the same become due and before any fine, penalty, interest (except interest which is payable in connection with legally permissible installment payments) or other cost may be added thereto or become due or be imposed by operation of law for the non-payment thereof, (i) all taxes, payments in lieu of taxes and governmental charges of any kind whatsoever which may at any time be lawfully assessed or levied against or with respect to the Facility and any machinery, equipment or other Property installed or brought by the Institution, therein or thereon, including, without limiting the generality of the foregoing, any sales or use taxes imposed with respect to the Facility or any part or component thereof or the rental or sale of the Facility or any part thereof and any taxes levied upon or with respect to the income or revenues of the Issuer from the Facility; (ii) all utility and other charges, including service charges, incurred or imposed for or with respect to the operation, maintenance, use, occupancy, upkeep and improvement of the Facility; and (iii) all assessments and charges of any kind whatsoever lawfully made by any governmental body for public improvements; provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Institution shall be obligated under this Loan Agreement to pay only such installments as are required to be paid during the Loan Term.

(b) The Institution may, in good faith, contest any such taxes, assessments and other charges. In the event of any such proceedings, the Institution shall pay such taxes, assessments or other charges so contested, or, at its option, allow the same to remain unpaid during the period of such proceedings and any appeal therefrom, provided, however, that (i) neither the Facility nor any part thereof or interest therein would be in any immediate danger of being sold, forfeited or lost by reason of such proceedings, and (ii) the Institution shall have set aside on their books adequate reserves with respect thereto and shall have furnished such security, if

any, as may be required in such proceedings or reasonably requested by the Issuer or the Trustee.

(c) The Institution agrees that if it contests any taxes, assessments or other charges as provided for in paragraph (b) hereof, all sums returned, as a result thereof, will be promptly transmitted to the Institution and the Institution shall be entitled to retain all such amounts.

Section 6.4 Insurance Required. At all times throughout the Loan Term, the Institution at its sole cost and expense shall maintain or cause to be maintained insurance covering the Facility against such risks and for such amounts as are customarily insured against by facilities of like size and type in the same geographic region and shall pay, as the same become due and payable, all premiums with respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full replacement value of the completed Improvements, exclusive of footings and foundations, as determined by a recognized appraiser or insurer selected by the Institution, but in no event less than the principal amount of the Bonds.

(b) Workers' compensation insurance, disability benefits insurance and each other form of insurance which the Institution is required by law to provide, covering loss resulting from injury, sickness, disability or death of employees of the Institution who are located at or assigned to the Facility. This coverage shall be in effect from and after the Closing Date or on such earlier date as any employees of the Institution first occupy the Facility.

(c) Insurance protecting the Issuer, the Trustee, and the Institution against loss or losses from liability imposed by law or assumed in any written contract (including the contractual liability assumed by the Institution under Section 8.2 hereof) and arising from personal injury, including bodily injury or death, or damage to the property of others, caused by an accident or occurrence with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage) and with a blanket excess liability coverage in an amount not less than \$5,000,000 protecting the Issuer, the Trustee and the Institution against any loss or liability or damage for personal injury, including bodily injury or death, or property damage.

(d) During any Construction Period (and for at least one year thereafter in the case of Products and Completed Operations as set forth below), the Institution shall cause the general contractor to carry liability insurance of the type and providing the minimum limits set forth below:

(i) Workers' compensation and employer's liability with limits in accordance with applicable law.

(ii) Comprehensive general liability providing coverage for:

Premises and Operations

Products and Completed Operations

Owners Protective

Contractors Protective
Contractual Liability
Personal Injury Liability
Broad Form Property Damage
(including completed operations)
Explosion Hazard
Collapse Hazard
Underground Property Damage Hazard

Such insurance shall have a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iii) Business auto liability, including all owned, non-owned and hired autos, with a limit of liability of not less than \$1,000,000 (combined single limit for personal injury, including bodily injury or death, and property damage).

(iv) Excess “umbrella” liability providing liability insurance in excess of the coverage’s in (i), (ii) and (iii) above with a limit of not less than \$5,000,000.

Section 6.5 Additional Provisions Respecting Insurance.

(a) All insurance required by Section 6.4 hereof shall be procured and maintained in financially sound and generally recognized responsible insurance companies and authorized to write such insurance in the State and selected by the entity required to procure the same. The company issuing the policies required by Section 6.4(a) hereof shall be rated “A” or better by A.M. Best Co., Inc. Such insurance may be written with deductible amounts comparable to those on similar policies carried by other companies engaged in businesses similar in size, character and other respects (including the location of such companies in the same or similar geographic region) to those in which the procuring entity is engaged. All policies evidencing the insurance required by Section 6.4(a) hereof shall provide for payment to the Institution of the Net Proceeds of insurance resulting from any claim for loss or damage thereunder, and all policies of insurance required by Section 6.4 hereof shall provide for at least thirty (30) days’ prior written notice of the restriction, cancellation or modification thereof to the Issuer and the Trustee. The policy evidencing the insurance required by Section 6.4(c) hereof shall name the Issuer, the Trustee and the Master Trustee as additional insureds. All policies evidencing the insurance required by Section 6.4(d) (ii),(iii) and (iv) shall name the Issuer, the Trustee, the Master Trustee and the Institution as additional insureds. Upon request of the Master Trustee, the Institution will assign and deliver to the Master Trustee the policies of insurance required under Section 6.4(a), so and in such manner and form that the Master Trustee shall at all times, upon such request and until the payment in full of the Series 2022B Bonds, have and hold said policies and the Net Proceeds thereof as collateral for the payment of the Series 2022B Obligation. The policies under Section 6.4(a) shall contain appropriate waivers of subrogation.

(b) The certificates of insurance required by Section 6.4(a) hereof shall be deposited with the Master Trustee on or before the Closing Date. A copy of the policy (or

certificate and binder) of insurance required by Section 6.4(c) hereof shall be delivered to the Issuer on or before the Closing Date. A copy of the policy (or certificate or binder of insurance is required by Section 6.4(d) hereof shall be delivered to the Issuer on or before the earlier of the Closing Date or the commencement of the construction or renovation, if later. The Institution shall deliver to the Issuer and the Trustee before the first Business Day of each twelve (12) month period thereafter a certificate dated not earlier than the immediately preceding month reciting that there is in full force and effect, with a term covering at least the next succeeding twelve (12) month period, insurance of the types and in the amounts required by Section 6.4 hereof and complying with the additional requirements of Section 6.5(a) hereof. Prior to the expiration of each such policy or policies, (i) the Institution shall furnish to the Issuer a new policy or policies of insurance or evidence that such policy or policies have been renewed or replaced or are no longer required by this Loan Agreement, and (ii) the Institution shall furnish to the Issuer and the Trustee a certificate of an Authorized Representative of the Institution confirming that it has acquired a new policy or policies of insurance or that such policy or policies have been renewed or replaced or are no longer required by this Loan Agreement. The Institution shall provide such further information with respect to the insurance coverage required by this Loan Agreement as the Issuer and the Trustee may from time to time reasonably require.

Section 6.6 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 6.4 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required by Section 6.4(a) hereof shall be applied as provided in Section 7.1 hereof, and (ii) the Net Proceeds of the insurance required by Sections 6.4(b), (c) and (d) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 6.7 Right of Trustee or Master Trustee to Pay Taxes, Insurance Premiums and Other Charges. If the Institution fails (i) to pay any tax, together with any fine, penalty, interest or cost which may have been added thereto or become due or been imposed by operation of law for nonpayment thereof, assessment or other governmental charge required to be paid by Section 6.3 hereof, (ii) to maintain any insurance required to be maintained by Section 6.4 hereof, (iii) to pay any amount required to be paid by any law or ordinance relating to the use or occupancy of the Facility or by any requirement, order or notice of violation thereof issued by any governmental person, (iv) to pay any mechanic's Lien which is recorded or filed against the Facility or any part thereof (unless contested or bonded in accordance with the provisions of Section 8.9(b) hereof), or (v) to pay any other amount or perform any act hereunder required to be paid or performed by the Institution hereunder, the Issuer, the Trustee or the Master Trustee may pay or cause to be paid such tax, assessment or other governmental charge or the premium for such insurance or any such other payment or may perform any such act. No such payment shall be made or act performed by the Issuer, the Trustee or the Master Trustee until at least ten (10) days shall have elapsed since written notice shall have been given by the Trustee or the Master Trustee to the Issuer, with a copy of such notice being given simultaneously to the Institution (or by the Issuer to the Institution and the Trustee), and in the case of any tax, assessment or governmental charge or the amounts specified in clauses (iii), (iv) and (v) hereof, no such payment shall be made in any event if the Institution is contesting the same in good faith and diligently prosecuting the same unless an Event of Default hereunder shall have occurred and be continuing. No such

payment by the Issuer, the Trustee or the Master Trustee shall affect or impair any rights of the Issuer hereunder or of the Trustee under the Indenture arising in consequence of such failure by the Institution. The Institution shall, on demand, reimburse the Issuer, the Master Trustee or the Trustee for any amount so paid or for expenses or costs incurred in the performance of any such act by the Issuer, the Master Trustee or the Trustee pursuant to this Section (which shall include all reasonable legal fees and disbursements), together with interest thereon from the date of payment of such amount, expense or cost by the Issuer, the Master Trustee or the Trustee at the per annum rate of ten percent (10%).

ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.1 Damage or Destruction of the Facility.

(a) If any portion of the Facility shall be damaged or destroyed (in whole or in part) at any time during the Loan Term:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate the Facility or any portion thereof; and

(ii) there shall be no abatement or reduction in the loan payments or other amounts payable by the Institution under this Loan Agreement (whether or not the Facility or any portion thereof is replaced, repaired, rebuilt, restored or relocated); and

(iii) upon the occurrence of such damage or destruction, the Net Proceeds derived from the insurance shall be paid to the Institution and, except as otherwise provided in Section 11.1 and subsection (f) hereof, and subject to subsection (i) hereof, the Institution shall at its option either (A) replace, repair, rebuild, restore or relocate the Facility or the portion thereof, or (B) redeem a principal amount of the Series 2022B Bonds equal to such Net Proceeds in accordance with Section 3.01(c)(i) of the Indenture.

If the Institution replaces, repairs, rebuilds, restores or relocates the Facility, the Institution shall disburse the Net Proceeds received from any insurance proceeds in connection with such damage or destruction to pay or reimburse the Institution for the cost of such replacement, repair, rebuilding, restoration or relocation.

(b) Any such replacements, repairs, rebuilding, restorations or relocations shall be subject to the following conditions:

(i) the Facility shall be in substantially the same condition and value as an operating entity as existed prior to the damage or destruction;

(ii) the exclusion of the interest on the Series 2022B Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected; and

(iii) the Facility will be subject to no Liens (unless contested or bonded as set forth herein), other than Permitted Liens.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility shall 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 contracts.

(d) If the Institution elects to replace, repair, rebuild, restore or relocate the Facility pursuant to this Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration or relocation, the Institution shall nonetheless complete the work and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration or relocations made pursuant to this Section, whether or not requiring the expenditure of the Institution' own money, shall automatically become a part of the Facility as if the same were specifically described herein.

(e) Any balance of such Net Proceeds remaining after payment of all costs of replacement, repair, rebuilding, restoration or relocation shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement, be used to redeem the Series 2022B Bonds as provided in Section 3.01(c)(ii) of the Indenture.

(f) If the Institution shall exercise its option to terminate this Loan Agreement pursuant to Section 11.1 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 11.2 hereof. If an Event of Default hereunder shall have occurred and is continuing and the Trustee shall have exercised its remedies under Section 10.2 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 10.2 and Section 10.4 hereof.

(g) If the entire amount of the Series 2022B Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the Institution.

(h) Except upon the occurrence and continuation of an Event of Default, the Institution shall have the right to settle and adjust all claims under any policies of insurance required by Sections 6.4(a) hereof on its own behalf.

Section 7.2 Condemnation.

(a) If title to or use of the Facility or any portion thereof comprising a portion of the Facility shall be taken by Condemnation (in whole or in part) at any time during the Loan Term:

(i) the Issuer shall have no obligation to replace, repair, rebuild, restore or relocate such Facility or acquire, by construction or otherwise, facilities of substantially the same nature as the Facility (the “**Substitute Facility**”); and

(ii) there shall be no abatement or reduction in the amounts payable by the Institution under this Loan Agreement (whether or not the Facility is replaced, repaired, rebuilt, restored or relocated or the Substitute Facility acquired); and

(iii) upon the occurrence of such Condemnation, the Net Proceeds derived therefrom shall be paid to the Institution and, except as otherwise provided in Section 11.1 and subsection (f) hereof, the Institution shall either:

(A) replace, repair, rebuild, restore or relocate such project comprising a portion of the Facility or acquire the Substitute Facility, or

(B) redeem an amount of Series 2022B Bonds equal to the Net Proceeds in accordance with Section 3.01(c)(i) of the Indenture.

If the Institution replaces, repairs, rebuilds, restores or relocates the Facility or acquires a Substitute Facility, the Institution shall disburse the Net Proceeds received as a result of such Condemnation to pay or reimburse the Institution for the cost of such replacement, repair, rebuilding, restoration, relocation or acquisition of the Substitute Facility.

(b) Any such replacements, repairs, rebuilding, restorations, relocations or acquisitions of the Substitute Facility shall be subject to the following conditions:

(i) the Facility or the Substitute Facility shall be in substantially the same condition and value as an operating entity as existed prior to the condemnation;

(ii) the exclusion of the interest on the Series 2022B Bonds from gross income for Federal income tax purposes shall not, in the opinion of Bond Counsel, be adversely affected;

(iii) the Facility or the Substitute Facility will be subject to no Liens (unless contested or bonded as set forth herein), other than Permitted Liens; and

(iv) any other conditions the Trustee may reasonably impose.

(c) All such repair, replacement, rebuilding, restoration or relocation of the Facility shall be effected with due diligence in a good and workmanlike manner in compliance with all applicable legal requirements and shall be promptly and fully paid for by the Institution in accordance with the terms of the applicable contracts.

(d) If the Institution elects to replace, repair, rebuild, restore or relocate pursuant to this Loan Agreement, then in the event such Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding, restoration, relocation or acquisition of a Substitute Facility, the Institution shall nonetheless complete the work or the acquisition and pay from its own moneys that portion of the costs thereof in excess of such Net Proceeds. All such replacements, repairs, rebuilding, restoration, relocations and such acquisition of the Substitute Facility made pursuant to this Section, whether or not requiring the expenditure of the Institution' own money, shall automatically become a part of the Facility as if the same were specifically described herein.

(e) Any balance of such Net Proceeds remaining after payment of all costs of replacement, repair, rebuilding, restoration, relocation or acquisition of the Substitute Facility shall, subject to any rebate required to be made to the Federal government pursuant to the Indenture or the Tax Regulatory Agreement, be used to redeem the Series 2022B Bonds as provided in Section 3.01(c)(ii) the Indenture.

(f) If the Institution shall exercise its option to terminate this Loan Agreement pursuant to Section 11.1 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Section 11.2 hereof. If any Event of Default hereunder shall have occurred and is continuing and the Trustee shall have exercised its remedies under Section 10.2 hereof, such Net Proceeds shall be applied to the payment of the amounts required to be paid by Sections 10.2 and 10.4 hereof.

(g) If the entire amount of the Series 2022B Bonds and interest thereon has been fully paid, or provision therefor has been made in accordance with the Indenture, all such remaining Net Proceeds shall be paid to the Institution.

(h) Except upon the occurrence and continuation of an Event of Default, the Institution shall have the right to settle and adjust all claims under any Condemnation proceedings on its own behalf.

Section 7.3 Condemnation or Casualty of Non-Project Property. The Institution shall be entitled to the proceeds of any Casualty Proceeds or Condemnation award or portion thereof made for damage to or taking of any Property which, at the time of such damage or taking, is not part of the Facility.

Section 7.4 Recovery Against Contractor, Etc.

(a) If at any time during the Loan Term, provided no Event of Default under Section 10.1 has occurred and is continuing, proceeds shall become available from any recovery against a contractor, subcontractor, materialman or other Person with respect to the Facility, such proceeds shall be applied as set forth in the Mortgage and the Master Indenture.

(b) After the occurrence and during the continuation of an Event of Default under Section 10.1 hereof, the proceeds of any such recovery shall be applied as provided in Section 10.2 hereof.

(c) If the entire amount of the Series 2022B Bonds and interest thereon have been fully paid, or provision therefor has been made in accordance with the Indenture, the surplus thereof shall be paid to the Institution for its business purposes.

(d) Except upon the occurrence and during the continuation of an Event of Default, the Institution shall have the right to settle and adjust all claims against such contractors, subcontractors, materialmen or other Persons.

**ARTICLE VIII
SPECIAL COVENANTS**

Section 8.1 No Warranty of Condition or Suitability by Issuer. 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 FUNDS AVAILABLE TO THE INSTITUTION WILL BE SUFFICIENT TO PAY THE COST OF COMPLETION OF THE FACILITY. THE INSTITUTION ACKNOWLEDGES THAT THE ISSUER IS NOT THE MANUFACTURER OF THE EQUIPMENT 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.

Section 8.2 Hold Harmless Provisions.

(a) The Institution agrees that the Issuer, the Trustee and each Paying Agent shall not be liable for and agrees to defend, indemnify, release and hold the Issuer and its members, directors, officers, agents and employees, the Trustee and each Paying Agent harmless from and against any and all (i) liability for loss or damage to Property or injury to or death of any and all Persons that may be occasioned by, directly or indirectly, any cause whatsoever pertaining to the Facility or arising by reason of or in connection with the occupation or the use thereof or the presence of any Person or Property on, in or about the Facility or the Land, or (ii) liability arising from or expense incurred in connection with the Issuer's financing of the Project, including without limiting the generality of the foregoing, all claims arising from the breach by the Institution of any of its covenants contained herein and all causes of action and reasonable attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing, provided that any such losses, damages, liabilities or expenses of the Issuer, the Trustee or any Paying Agent are not incurred or do not result from the gross negligence or intentional misconduct of the party seeking indemnity. The foregoing indemnities shall apply notwithstanding the fault or negligence in part of the Issuer, the Trustee or any Paying Agent, or any of their respective members, directors, trustees, officers, agents or employees, and irrespective of the breach of a statutory obligation (other than a breach caused by their respective gross negligence or willful misconduct) or the application of any rule of comparative or apportioned liability. The foregoing indemnities are limited only as expressly set forth herein and to the extent of any prohibitions imposed by law.

(b) Notwithstanding any other provisions of this Loan Agreement, the obligations of the Institution pursuant to this Section 8.2 shall remain in full force and effect after the termination of this Loan Agreement until the expiration of the period stated in the applicable statute of limitations during which a claim, cause of action or prosecution relating to the matters herein described may be brought and payment in full or the satisfaction of such claim, cause of action or prosecution relating to the matters herein described and the payment of all expenses and charges incurred by the Issuer, the Trustee or their respective members, directors, officers, agents and employees, relating to the enforcement of the provisions herein specified.

(c) In the event of any claim against the Issuer, the Trustee or any Paying Agent or their respective members, directors, officers, agents or employees by any employee or contractor of the Institution or anyone directly or indirectly employed by the Institution or anyone for whose acts the Institution may be liable, the obligations of the Institution hereunder shall not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(d) The Trustee and each Paying Agent shall be third party beneficiaries of the Institution's obligations under this Section 8.2.

Section 8.3 Right to Inspect Facility. The Issuer and the Trustee and the duly authorized agents of either of them shall have the right at all reasonable times upon prior reasonable written notice to the Institution to inspect the Facility during normal business hours.

Section 8.4 Institution to Maintain Its Existence. The Institution agrees that during the Loan Term (a) it will maintain its existence as a not-for-profit corporation constituting an Exempt Organization, and (b) will comply with all warranties and financial and reporting

covenants as set forth in the Master Indenture and the Continuing Disclosure Agreement (as more fully described in Section 8.15 below).

Section 8.5 Qualification in State. The Institution throughout the Loan Term shall continue to be duly authorized to do business in the State.

Section 8.6 Agreement to Provide Information. The Institution agrees within a reasonable period of time following a written request by the Issuer to provide and certify or cause to be provided and certified such information concerning the Institution, its finances, operations and affairs necessary to enable the Issuer to make any report required by law, including without limitation pursuant to the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009, each as amended from time to time, governmental regulation or any of the Issuer Documents or Institution Documents. The Institution shall deliver to the Issuer and the Trustee each year no later than January 15 a certificate signed by the Chief Financial Officer of the Institution, stating that the Institution is not in default under this Loan Agreement and no Event of Default exists and remains uncured under this Loan Agreement, the Series 2022B Promissory Note or any other Institution Documents. Such information shall be provided within thirty (30) days following the Institution's receipt (as determined pursuant to Section 12.1 hereof) of written request from the Issuer.

Section 8.7 Reserved.

Section 8.8 Compliance with Orders, Ordinances, Etc.

(a) The Institution throughout the Loan Term agrees that it will promptly comply, and take all reasonable steps to cause any tenant or occupant of the Facility to comply, with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof or to the operation thereof, or to any use, manner of use or condition of the Facility or any part thereof, of all federal, state, county, municipal and other governments, departments, commissions, boards, courts, authorities, officials and officers having jurisdiction of the Facility or any part thereof, or to the operation thereof, or to any use, manner of use or condition of the Facility or any part thereof and of all companies or associations insuring the premises.

(b) The Institution shall keep or cause the Facility to be kept free of Hazardous Substances, except in compliance with applicable law. Without limiting the foregoing, the Institution shall not cause or permit the Facility to be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Substances, except in compliance with all applicable federal, state and local laws, regulations and permits, 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 contractor, subcontractor, tenant or subtenant, a release of Hazardous Substances onto the Facility or onto any other property. The Institution shall comply with and shall take all reasonable steps to ensure compliance by all contractors, subcontractors, tenants and subtenants with all applicable federal, state and local laws, ordinances, rules and regulations, whenever and by whomever triggered, and shall obtain and comply with, and shall take all reasonable steps to ensure that all contractors, subcontractors, tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Institution shall (a) conduct and complete all investigations, studies,

sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances, on, from, or affecting the Facility (i) in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations, and policies, (ii) to the reasonable satisfaction of the Issuer, and (iii) in accordance with the orders and directives of all federal, state, and local governmental authorities; and (b) defend, indemnify, and hold harmless the Trustee and the Issuer, their employees, agents, officers, and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to (i) the presence, disposal, release, or threatened release of any Hazardous Substances which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise, (ii) any bodily injury, personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances, (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Substances, and/or (iv) any violation of laws, orders, regulations, requirements, or demands of government authorities, or any policies or requirements of the Trustee and the Issuer, which are based upon or in any way related to such Hazardous Substances, including, without limitation, reasonable attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable litigation expenses. The provisions of this Section shall be in addition to any and all other obligations and liabilities the Institution may have to the Trustee at common law, and shall survive the transactions contemplated herein.

(c) Notwithstanding the provisions of subsections (a) and (b) hereof, the Institution may in good faith contest the validity or the applicability of any requirement of the nature referred to in such subsections (a) and (b) by appropriate legal proceedings conducted in good faith and with due diligence. In such event, the Institution may fail to comply with the requirement or requirements so contested during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the Institution that by failure to comply with such requirement or requirements, the Facility or any part thereof may be subject to immediate loss, penalty or forfeiture, in which event the Institution shall promptly take such action with respect thereto or provide such security as may be necessary to prevent such loss, penalty or forfeiture and shall otherwise be reasonably satisfactory to the Trustee and to the Issuer. If at any time the then existing use or occupancy of the Facility shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the Institution shall use all reasonable efforts to not cause or permit such use or occupancy to be discontinued without the prior written consent of the Issuer and the Trustee (which may be conditioned upon receipt of consent from the Owners of the Bonds then Outstanding).

(d) Notwithstanding the provisions of this Section 8.8, if, because of a breach or violation of the provisions of subsections (a) or (b) hereof (without giving effect to subsection (c) hereof), either the Issuer, the Trustee, or any of their respective members, directors, officers, agents, or employees, shall be threatened with a fine, liability, expense or imprisonment, then, upon notice from the Issuer or the Trustee, the Institution shall immediately provide legal protection and/or pay amounts necessary in the reasonable opinion of the Issuer or the Trustee, as the case may be, and their respective members, directors, officers, agents and employees deem reasonably sufficient, to the extent permitted by applicable law, to remove the threat of such fine, liability, expense or imprisonment.

(e) Notwithstanding any provisions of this Section, the Trustee and the Issuer retain the right to defend themselves in any action or actions which are based upon or in any way related to such Hazardous Substances. In any such defense of themselves, the Trustee and the Issuer shall each select their own counsel, and any and all reasonable and actual costs of such defense, including, without limitation, reasonable and actual attorney and consultant fees, reasonable investigation and laboratory fees, court costs, and reasonable and actual litigation expenses, shall be paid by the Institution.

Section 8.9 Discharge of Liens and Encumbrances.

(a) The Institution throughout the Loan Term, shall not permit or create or suffer to be permitted or created any Lien, except for Permitted Liens, upon the Facility or any part thereof by reason of any labor, services or materials rendered or supplied or claimed to be rendered or supplied with respect to the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) hereof, the Institution may in good faith contest any such Lien. In such event, the Institution may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, unless the Issuer or the Trustee shall notify the Institution that by nonpayment of any such item or items, the Facility or any part thereof may be subject to immediate loss or forfeiture, in which event the Institution shall promptly secure payment of all such unpaid items by filing a bond, in form and substance reasonably satisfactory to the Issuer, thereby causing such Lien to be removed or by taking such other actions as may be reasonably satisfactory to the Issuer to protect its interests. Mechanics' Liens shall be discharged or bonded within ninety (90) days following the Institution' receipt of notice of the filing or perfection thereof.

Section 8.10 Identification of Equipment. All Equipment, as described in Exhibit A attached hereto, which is financed or refinanced in whole or in part with proceeds of the Series 2022B Bonds pursuant to the provisions of this Loan Agreement, shall be properly identified by the Institution by appropriate records, including computerized records. Such Equipment shall be covered by the security interests created by the Mortgage.

Section 8.11 Depreciation Deductions and Investment Tax Credit. The parties agree that, as between them, the Institution shall be entitled to all depreciation deductions with respect to any depreciable property comprising a part of the Facility pursuant to Section 167 or Section 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any part of the Facility which constitutes "Section 38 Property".

Section 8.12 Employment Opportunities, Notice of Jobs. The Institution covenants and agrees that, in consideration of the participation of the Issuer in the transactions contemplated herein, it will, except as otherwise provided or governed by collective bargaining contracts or agreements to which it is a party, use its reasonable best efforts to cause any new permanent employment opportunities created in connection with the Facility to be listed with the New York State Department of Labor. The Institution also agrees that, except as otherwise provided or governed by collective bargaining contracts or agreements to which it is a party, it will use its best efforts to consider first for such new permanent employment opportunities persons eligible to participate in federal job training programs who shall be referred by the

Referral Agencies. As used in this Section 8.12, “permanent employment” shall mean employment of an anticipated duration of greater than twelve weeks.

Section 8.13. Additional Encumbrances and Indebtedness. The Institution may issue additional long term Indebtedness or request the Issuer to issue one or more Series of Additional Bonds under the Indenture, provided that all terms and conditions for the incurrence of such additional Indebtedness or Additional Bonds under the Master Indenture and Section 2.14 of the Indenture have been satisfied.

Section 8.14. Certain Additional Covenants. The Institution agrees that during the Loan Term it will comply with all financial and reporting covenants set forth in the Master Indenture.

Section 8.15. Continuing Disclosure Agreement. The Institution has executed and delivered to the Trustee a Continuing Disclosure Agreement, dated the date of initial delivery of the Series 2022B Bonds. The Institution hereby covenants and agrees with the Holders from time to time of the Series 2022B Bonds that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement, as amended from time to time, applicable to it. Notwithstanding any other provision of this Loan Agreement, failure of the Institution to comply with the Continuing Disclosure Agreement shall not be considered a default or an event of default under this Loan Agreement and the rights and remedies provided by this Loan Agreement upon the occurrence of such a default or an event of default shall not apply to any such failure, but the Continuing Disclosure Agreement may be enforced only as provided therein.

Section 8.16. Securities Law Status. The Institution affirmatively represents, warrants and covenants that, as of the date of this Loan Agreement, it is an organization organized and operated: (i) exclusively for civic or charitable purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and of the Securities Exchange Act of 1934, as amended. The Institution agrees that it shall not perform any act nor enter into any agreement which shall change such status as set forth in this Section 8.16.

Section 8.17. Rebate Covenant. The Institution covenants to make, or cause to be made, any and all payments required to be made to the United States Department of the Treasury in connection with the Series 2022B Bonds pursuant to Section 148(f) of the Code and to comply with instructions received from Bond Counsel pursuant to the certification with respect to the making of any such payments.

Section 8.18. Reliance by Trustee. The Trustee shall be entitled to rely on any instructions given by the Institution pursuant to the terms hereof and the Institution shall indemnify the Trustee for the consequences of all actions taken pursuant to and in accordance with any such instructions.

ARTICLE IX

RELEASE OF CERTAIN LAND; ASSIGNMENTS AND LEASING; AND PLEDGE OF INTERESTS

Section 9.1 Restriction on Sale of Facility; Release of Certain Land.

(a) Except as otherwise specifically provided in this Article IX and in Article X hereof or as permitted by the Tax Regulatory Agreement and the Master Indenture, the Institution shall not lease, convey, transfer, encumber (other than Permitted Liens) or otherwise dispose of the Facility or any part thereof or any of its rights under this Loan Agreement, without the prior written consent of the Issuer and the Trustee.

(b) No conveyance of any part of, or interest in, the Land effected under the provisions of this Section 9.1 shall entitle the Institution to any abatement or diminution of the Loan Payments payable by it under this Loan Agreement or the Series 2022B Promissory Note.

Section 9.2 Removal of Equipment.

(a) The Issuer shall not be under any obligation to remove, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary item of Equipment. In any instance where the Institution determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Institution may, so long as such action is in compliance with the Master Indenture, remove such items from the Facility and may sell, trade-in, exchange or otherwise dispose of the same, as a whole or in part, provided that such removal will not materially impair the operation of the Facility for the purpose for which it is intended.

(b) The removal of any item of Equipment pursuant to this Section shall not entitle the Institution to any abatement or diminution in or postponement of the Loan Payments payable by it under this Loan Agreement.

Section 9.3 Assignment, Leasing and Subleasing.

(a) This Loan Agreement may not be assigned, other than as provided in the Master Indenture, in whole or in part, and the Facility may not be leased, in whole or in part, without the prior written consent of the Issuer in each instance except in the ordinary course of business of the Institution or except as provided in the Tax Regulatory Agreement. Any permitted assignment or lease shall be on the following conditions:

- (i) no assignment or lease shall relieve the Institution from primary liability for any of its obligations hereunder or under any other of the Institution Documents;
- (ii) the assignee or lessee in whole (in the discretion of the Issuer) of the Facility shall assume the obligations of such Institution hereunder to the extent of the interest assigned or leased, shall be jointly and severally liable with the Institution for the performance thereof and shall be subject to service of process in the State of New York;
- (iii) the Institution shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of such assignment or lease and the instrument of assumption;
- (iv) neither the validity nor the enforceability of the Series 2022B Bonds or any Bond Document shall be adversely affected thereby;

- (v) the exclusion of the interest on the Series 2022B Bonds from gross income for Federal income tax purposes will not be adversely affected;
- (vi) the assignee or lessee in whole (in the discretion of the Issuer) of the Facility shall be an Exempt Organization and shall utilize the Facility substantially in the same manner as the Institution.

(b) As of the purported effective date of any assignment or lease of the Facility pursuant to subsection (a) of this Section 9.3, the Institution, at its sole cost, shall furnish the Trustee and the Issuer with an opinion, in form and substance satisfactory to the Issuer, (i) of Bond Counsel as to items (v) and (vi) above, and (ii) of Independent Counsel as to items (i), (ii) and (iv) above.

Section 9.4 Pledge of Issuer's Interests to Trustee. The Issuer shall pledge and assign its rights to and interest in this Loan Agreement and in all amounts payable by the Institution pursuant to Section 5.3 hereof, and all other provisions of this Loan Agreement (other than Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund), to the Trustee as security for the payment of the principal of, and premium, if any, and interest on the Series 2022B Bonds. The Institution hereby acknowledges and consents to such pledge and assignment by the Issuer. Notwithstanding the foregoing, all indemnities herein contained shall, subsequent to such pledge and assignment, continue to run to the Issuer for its benefit as well as for the benefit of the Trustee.

Section 9.5 Merger of Issuer.

(a) Nothing contained in this Loan Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, any other local development corporation, public benefit corporation or political subdivision which has the legal authority to enter into this Loan Agreement, provided that:

(i) upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Loan Agreement to be kept and performed by the Issuer shall be expressly assumed in writing by the local development corporation, public benefit corporation or political subdivision resulting from such consolidation or surviving such merger; and

(ii) the exclusion of the interest on the Series 2022B Bonds from gross income for Federal income tax purposes shall not be adversely affected thereby.

(b) Within thirty (30) days after the consummation of any such consolidation, merger or transfer of interest, the Issuer shall give notice thereof in reasonable detail to the Institution and the Trustee and shall furnish to the Institution and the Trustee (i) a favorable opinion of Independent Counsel as to compliance with the provisions of Section 9.5(a)(i) hereof, and (ii) a favorable opinion of Bond Counsel opining as to compliance with the provisions of Section 9.5(a)(ii) hereof. The Issuer promptly shall furnish such additional information with respect to any such transaction as the Institution or the Trustee may reasonably request.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default Defined.

(a) The following shall be “Events of Default” under this Loan Agreement:

(i) the failure by the Institution to pay or cause to be paid on the date due, the amounts specified to be paid pursuant to Sections 5.3(a), (b) and (d) hereof;

(ii) the failure by the Institution to observe and perform any covenant contained in Sections 6.3, 6.4, 6.5, 8.4 and 9.3 hereof;

(iii) any representation or warranty of the Institution herein or in the Bond Purchase Agreement shall prove to have been false or misleading in any material respect and the same shall have a materially adverse effect upon the Institution, the Facility, or the exclusion of interest on the Series 2022B Bonds from gross income for federal income tax purposes;

(iv) the failure by the Institution to observe and perform any covenant, condition or agreement hereunder on its part to be observed or performed (except obligations referred to in 10.1(a)(i) or (ii)) for a period of thirty (30) days after receiving written notice, specifying such failure and requesting that it be remedied, given to the Institution by the Issuer or the Trustee; provided, however, that if such default cannot be cured within thirty (30) days but the Institution is proceeding diligently and in good faith to cure such default, then the Institution shall be permitted an additional ninety (90) days within which to remedy the default;

(v) the dissolution or liquidation of the Institution; or the failure by the Institution to release, stay, discharge, lift or bond within ninety (90) days any execution, garnishment, judgment or attachment of such consequence as may impair its ability to carry on its operations; or the failure by the Institution generally to pay its debts as they become due; or an assignment by the Institution for the benefit of creditors; the commencement by the Institution (as the debtor) of a case in bankruptcy or any proceeding under any other insolvency law; or the commencement of a case in bankruptcy or any proceeding under any other insolvency law against the Institution (as the debtor) and a court having jurisdiction in the premises enters a decree or order for relief against the Institution as the debtor in such case or proceeding, or such case or proceeding is consented to by the Institution or remains undismissed for ninety (90) days, or the Institution consents to or admits the material allegations against it in any such case or proceeding; or a trustee, receiver or agent (however named) is appointed or authorized to take charge of substantially all of the property of the Institution for the purpose of enforcing a lien against such Property or for the purpose of general administration of such Property for the benefit of creditors (the term “dissolution or liquidation of the Institution” as used in this subsection shall not be construed to include any transaction permitted by Section 8.4 hereof);

(vi) an Event of Default under or a default on the part of the Institution of its obligations under the Indenture shall have occurred and be continuing;

(vii) the Institution or any Obligated Group Member shall default in the payment of any other Indebtedness (other than the Series 2022B Obligation), whether such Indebtedness now exists or shall hereafter be created, and any period of grace with respect thereto shall have expired, or an event of default as defined in any mortgage, indenture or instrument, under which there may be issued, or by which there may be secured or evidenced, any Indebtedness, whether such Indebtedness now exists or shall hereafter be created, shall occur, which default in payment or event of default shall be in respect of any Indebtedness secured by an Obligation issued pursuant to the Master Indenture, where the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holders thereof (or a trustee on behalf of such holders) to cause such Indebtedness to become due prior to its stated maturity; provided, however that such default shall not constitute an Event of Default within the meaning of this paragraph if within the time allowed for service of a responsive pleading in any proceeding to enforce payment of such Indebtedness under the laws of New York or other laws governing such proceeding (i) the Institution or such Obligated Group Member in good faith commences proceedings to contest the existence or payment of such Indebtedness, (ii) sufficient moneys are escrowed with a bank or trust corporation for the payment of such Indebtedness, and (iii) the Institution delivers an Officer's Certificate to the Issuer and the Trustee certifying that the Institution has complied with clauses (i) and (ii)

(viii) the invalidity, illegality or unenforceability of any of the Bond Documents, provided the same does not permit the Issuer or the Trustee, as the case may be, to recognize the material benefits of the respective documents; or

(ix) a breach of any covenant or representation contained in Section 8.8 hereof with respect to environmental matters.

(b) Notwithstanding the provisions of Section 10.1(a) hereof, if by reason of force majeure any party hereto shall be unable in whole or in part to carry out its obligations under this Loan Agreement (other than its obligations under Section 5.3, 6.4 or 8.2 hereof) and if such party shall give notice and full particulars of such force majeure in writing to the other party and to the Trustee, within a reasonable time after the occurrence of the event or cause relied upon, such obligations under this Loan Agreement of the party giving such notice (and only such obligations), so far as they are affected by such force majeure, shall be suspended during continuance of the inability, which shall include a reasonable time for the removal of the effect thereof. The term "force majeure" as used herein shall include, without limitation, acts of God, strikes, lockouts or other industrial disturbances, acts of public enemies, acts, priorities or orders of any kind of the government of the United States of America or of the State or any of their departments, agencies, governmental subdivisions, or officials, any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fire,

hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accident to machinery, transmission pipes or canals, shortages of labor or materials or delays of carriers, partial or entire failure of utilities, shortage of energy or any other cause or event not reasonably within the control of the party claiming such inability and not due to its fault. The party claiming such inability shall remove the cause for the same with all reasonable promptness. It is agreed that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the party having difficulty, and the party having difficulty shall not be required to settle any strike, lockout and other industrial disturbances by acceding to the demands of the opposing party or parties.

Section 10.2 Remedies on Default.

(a) Whenever any Event of Default shall have occurred and be continuing, the Issuer or the Trustee may take, to the extent permitted by law, any one or more of the following remedial steps:

(i) declare, by written notice to the Institution, to be immediately due and payable, whereupon the same shall become immediately due and payable: (A) all unpaid loan payments payable pursuant to Section 5.3(a) hereof and pursuant to the Series 2022B Promissory Note in amount equal to the aggregate unpaid principal balance of all Series 2022B Bonds together with all interest which has accrued and will accrue thereon to the date of payment and all premium, if any, and (B) all other payments due under this Loan Agreement; provided, however, that if an Event of Default specified in Section 10.1(a)(v) hereof shall have occurred, such Loan Payments and other payments due under this Loan Agreement shall become immediately due and payable without notice to the Institution or the taking of any other action by the Trustee;

(ii) (a) apply any undisbursed money in the Project Fund to the payment of the costs and expenses incurred in connection with the enforcement of the rights and remedies of the Trustee and the Issuer, and (b) apply any undisbursed monies in the Project Fund and any other Fund or Account under the Indenture (other than those sums attributable to Unassigned Rights and except for the monies and investments from time to time in the Rebate Fund) to the payment of the outstanding principal amount of the Series 2022B Bonds and premium, if any, and accrued and unpaid interest on the Bonds; or

(iii) take any other action at law or in equity that may appear necessary or desirable to collect the payments then due or thereafter to become due hereunder and to enforce the obligations, agreements or covenants of the Institution under this Loan Agreement.

(b) Reserved.

(c) Any sums payable to the Issuer as a consequence of any action taken pursuant to this Section 10.2 (other than those sums attributable to Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund) shall be paid to the Trustee and applied to the payment of the Series 2022B Bonds.

(d) No action taken pursuant to this Section 10.2 shall relieve the Institution from the obligation to make all payments required by Section 5.3 hereof and pursuant to the Series 2022B Promissory Note.

Section 10.3 Remedies Cumulative. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee, as appropriate, to exercise any remedy reserved to it in this Article X, it shall not be necessary to give any notice, other than such notice as may be herein expressly required in this Loan Agreement.

Section 10.4 Agreement to Pay Attorneys' Fees and Expenses.

(a) In the event the Institution should default under any of the provisions of this Loan Agreement and the Issuer should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreement on the part of the Institution herein contained, the Institution shall, on demand therefore, pay to the Issuer the reasonable and actual fees of such attorneys and such other reasonable and actual out of pocket expenses so incurred.

(b) In the event the Institution should default under any of the provisions of this Loan Agreement and the Trustee should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligations or agreements on the part of the Institution herein contained, the Institution shall, on demand therefor, pay to the Trustee the reasonable and actual fees of such attorneys and such other reasonable and actual out-of-pocket expenses so incurred.

Section 10.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained herein should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI

EARLY TERMINATION OF LOAN AGREEMENT; OPTION IN FAVOR OF INSTITUTION

Section 11.1 Early Termination of Loan Agreement. The Institution shall have the option to terminate this Loan Agreement at any time that the Series 2022B Bonds are subject to redemption in whole under the Indenture and upon filing with the Issuer and the Trustee a certificate signed by an Authorized Representative of the Institution stating the Institution's intention to do so pursuant to this Section and the date upon which such payment shall be made (which date shall not be less than thirty (30) nor more than ninety (90) days from the date such certificate is filed) and upon compliance with the requirements set forth in Section 11.2 hereof.

Section 11.2 Conditions to Early Termination of Loan Agreement. In the event the Institution exercises the option to terminate this Loan Agreement in accordance with the provisions of Section 11.1 hereof, the Institution shall make the following payments:

(a) To the Trustee for the account of the Issuer: an amount certified by the Trustee which, when added to the total amount on deposit with the Trustee for the account of the Issuer and the Institution and available for such purpose, will be sufficient to pay the principal of, Redemption Price of, and interest to maturity or the earliest practicable redemption date, as the case may be, on the Series 2022B Bonds, all expenses of redemption and the Trustee's fees and expenses (including without limitation any attorneys' fees and expenses).

(b) To the Issuer: an amount certified by the Issuer sufficient to pay all unpaid fees and expenses of the Issuer incurred under the Bond Documents.

(c) To the appropriate Person: an amount sufficient to pay all other fees, expenses or charges, if any, due and payable or to become due and payable under the Bond Documents.

Section 11.3 Amounts Remaining on Deposit with the Trustee upon Payment of Bonds.

After payment in full of the principal of, Redemption Price, and interest on the Series 2022B Bonds and the payment of all fees, charges, expenses and other amounts required to be paid under the Bond Documents, all amounts on deposit with the Trustee for the account of the Issuer and the Institution under the Bond Documents (except for amounts attributable to Unassigned Rights and except for the moneys and investments from time to time in the Rebate Fund) shall belong to and be paid to the Institution by the Trustee as an overpayment of Loan Payments, and neither the Trustee nor the Owners of the Series 2022B Bonds shall have any rights hereunder, except those that shall have theretofore vested.

ARTICLE XII MISCELLANEOUS

Section 12.1 Notices. All notices, certificates and other communications hereunder shall be in writing and shall be either delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed as follows or to such other address as any party may specify in writing to the other:

To the Issuer:

Westchester County Local Development Corporation

Michaelian Office Building, Room 903

148 Martine Avenue

White Plains, New York 10601

Attention: Board Chair

To the Institution:

Kendal on Hudson
1010 Kendal Way
Sleepy Hollow, New York 10591
Attention: Chief Financial Officer

To the Trustee:

UMB Bank, N.A.
100 William Street, Suite 1850
New York, New York 10038
Attention: Corporate Trust Services

With a copy to:

UMB Bank, N.A.
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attention: Corporate Trust Services

A duplicate copy of each notice, certificate and other written communication given hereunder by either the Issuer or the Institution to the other shall also be given to the Trustee, and a duplicate copy of each notice, certificate and any other written communication given hereunder by either the Trustee or the Issuer to the other shall also be given to the Institution, at the addresses herein set forth or provided for. Such notice shall be deemed to have been given upon receipt or upon refusal of the party being notified to accept delivery of such notice.

Section 12.2 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

Section 12.3 Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4 Amendments, Changes and Modifications. This Loan Agreement may not be amended, changed, modified, altered or terminated except in a writing executed by the parties hereto in accordance with the provisions of Article XI of the Indenture and without the concurring written consent of the Trustee (given in accordance with such Article).

Section 12.5 Execution of Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.6 Applicable Law. This Loan Agreement shall be governed by and construed exclusively by the applicable laws of the State without regard or reference to its conflict of laws principles.

Section 12.7 List of Additional Equipment; Further Assurances.

(a) If requested by the Issuer or the Trustee, the Institution shall thereafter furnish to the Issuer and the Trustee, within sixty (60) days after the end of each calendar year, a schedule listing all of the Equipment not theretofore previously described herein or in the aforesaid schedule which is covered by the lien of the Mortgage.

(b) The Issuer and the Institution shall execute and deliver all instruments and shall furnish all information necessary or appropriate to perfect or protect any security interest created or contemplated by the Indenture.

Section 12.8 Survival of Obligations. This Loan Agreement shall survive the purchase and sale of the Series 2022B Bonds and all indemnities and the obligations of the Institution to make payments required by Section 5.3 shall survive the foregoing and any termination or expiration of this Loan Agreement and the payment, prepayment or redemption of the Series 2022B Bonds.

Section 12.9 Table of Contents and Section Headings not Controlling. The Table of Contents and the headings of the several Sections in this Loan Agreement have been prepared for convenience of reference only and shall not control or affect the meaning of or be taken as an interpretation of any provision of this Loan Agreement.

Section 12.10 USA Patriot Act Section 326 Customer Identification Program. The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) there is a requirement that all financial institutions obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Loan Agreement agree that they will provide to the Issuer and the Trustee such information as the Trustee or the Issuer may request, from time to time, in order for the Issuer and the Trustee to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow the Issuer and the Trustee to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

IN WITNESS WHEREOF, the Issuer and the Institution have caused this Loan Agreement to be executed in their respective names by their duly authorized officers, all dated as of [] 1, 2022.

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

By: _____

Name: Joan McDonald

Title: Chair

KENDAL ON HUDSON

By: _____

Name:

Title:

Loan Agreement

Signature Page

EXHIBIT A

EQUIPMENT

All equipment, fixtures, machinery, building materials and items of personal property acquired, constructed, renovated and installed in connection with the Westchester County Local Development Corporation's (the "**Issuer**") Kendal on Hudson Project located at the Facility described in the Loan Agreement, dated as of [_____] 1, 2022 (the "**Loan Agreement**") by and between the Issuer and Kendal on Hudson, and financed or refinanced in whole or in part with proceeds of the Issuer's Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery).

EXHIBIT B

(FORM OF SERIES 2022B 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 (AS DEFINED HEREIN) IN ACCORDANCE WITH THE INDENTURE (AS DEFINED HEREIN)

[\$39,315,000]

[____], 2022

PROMISSORY NOTE

FOR VALUE RECEIVED, KENDAL ON HUDSON, a New York not-for-profit corporation and an organization described in Section 501 (c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), and exempt from federal income taxation pursuant to Section 501(a) of the Code, located at 1010 Kendal Way, Sleepy Hollow, New York 10591 (the “**Institution**”), promises to pay to the order of the WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION, a local development corporation existing under the laws of the State of New York, having its principal office at Michaelian Office Building, Room 903, 148 Martine Avenue, White Plains, New York 10601 (the “**Issuer**”), at such place as the Issuer may from time to time designate, the principal sum of \$[39,315,000] with interest as provided herein.

All capitalized terms used but not defined in this Series 2022B 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 UMB Bank, N.A., or its successor as trustee (the “**Trustee**”) under the Indenture.

The principal amount, interest, Sinking Fund Payments and Redemption Price shall be payable on the dates and in the amounts that principal of, interest, Sinking Fund Payments and Redemption Price on the Series 2022B 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 Series 2022B Promissory Note is referred to in the Loan Agreement, dated as of [____] 1, 2022 (the “**Loan Agreement**”), between the Institution and the Issuer, the terms, conditions and provisions of which are hereby incorporated by reference.

This Series 2022B 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 [____] 1, 2022 (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 \$[39,315,000] in aggregate principal amount of Revenue Refunding Bonds, Series

2022B (Kendal on Hudson Project) (Forward Delivery) (the “**Series 2022B Bonds**”) issued by the Issuer pursuant to the Indenture. All the terms, conditions and provisions of the Indenture, the Loan Agreement and the Series 2022B Bonds are hereby incorporated as a part of this Series 2022B Promissory Note.

The Institution may under certain circumstances be required to prepay, together with accrued interest, all or any part of the amounts due under this Series 2022B Promissory Note, as provided in the Loan Agreement, the Indenture and the Series 2022B Bonds.

Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Institution.

The Institution hereby promises to pay reasonable and actual costs of collection and attorneys’ fees in case of default on this Series 2022 Promissory Note.

This Series 2022B 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.

(Remainder of Page Intentionally Left Blank – Signature Page Follows)

This Series 2022B Promissory Note is signed and delivered as of the date first above written.

KENDAL ON HUDSON

By: _____

Name:

Title:

[SIGNATURE PAGE TO SERIES 2022B PROMISSORY NOTE]

(FORM OF ENDORSEMENT)

Pay to the order of UMB Bank, N.A., without recourse, as Trustee under the Indenture referred to in the within mentioned Loan Agreement, as security for the Series 2022B 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 2022B Promissory Note.

**WESTCHESTER COUNTY LOCAL DEVELOPMENT
CORPORATION**

By: _____

Name: Joan McDonald

Title: Chair

(END OF FORM OF SERIES 2022B PROMISSORY NOTE)

\$_[_____]

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

REVENUE REFUNDING BONDS, SERIES 2022

(KENDAL ON HUDSON PROJECT) (FORWARD DELIVERY)

FORWARD DELIVERY PURCHASE CONTRACT

The undersigned, Herbert J. Sims & Co., Inc. (the "Underwriter"), offers to enter into the following agreement (the "Forward Delivery Purchase Contract") with the Westchester County Local Development Corporation (the "Issuer") and Kendal on Hudson (the "Organization"), which, upon acceptance of this offer by the Issuer and the Organization, will be binding upon the Issuer and the Organization and upon the Underwriter. This offer is made subject to acceptance of this Forward Delivery Purchase Contract by the Issuer and the Organization on or before 5:00 p.m., New York City, New York time, on the date set forth in item 1 of **Schedule A** attached hereto (the "Date Hereof"). Terms used herein and not otherwise defined shall have the same meanings assigned to them in the Official Statement dated [____], 2022 (the "Official Statement") relating to the offering of the Bonds (as hereinafter defined).

1. Purchase Price. Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$[_____] Revenue Refunding Bonds, Series 2022 (Kendal on Hudson Project) (Forward Delivery) (the "Bonds") on the date set forth in item 3 of **Schedule A** attached hereto or such other date as shall have been mutually agreed upon (the "Series 2022 Settlement Date"). The Bonds will be issued pursuant to an Indenture of Trust, dated as of [____] 1, 2022 (the "Indenture") among the Issuer and UMB Bank, N.A., as trustee (the "Trustee"). The aggregate principal amount of the Bonds, the date of the Bonds, the dates of maturities of the Bonds, the redemption provisions, the interest rates and the public offering prices for or yields of the Bonds are set forth in item 4 of **Schedule A** attached hereto, and the Bonds shall in all other respects be the same Bonds as described in the Official Statement. The purchase price to be paid by the Underwriter for the Bonds is set forth in item 5 of **Schedule A** attached hereto.

2. The Financing Documents. On the Date Hereof, the Issuer and the Organization shall deliver to the Underwriter a copy of the form of the Indenture, the Loan Agreement, dated as of [____] 1, 2022 (the "Loan Agreement"), to be executed by the Issuer and the Organization, the Continuing Disclosure

Agreement for the Bonds, dated as of the Series 2022 Settlement Date (the “Continuing Disclosure Agreement”) to be executed by the Organization and UMB Bank, N.A., as dissemination agent, and the Letter of Instruction regarding the Series 2013 Bonds, dated as of the Series 2022 Settlement Date (the “Letter of Instruction”) to be executed by the Issuer and the Organization. The obligations of the Organization under the Agreement will be evidenced by a note (the “Series 2022B Obligation”) issued under the Master Trust Indenture, dated as of (the “Master Trust Indenture”), by and between Kendal on Hudson as the current sole member of the Organization and UMB Bank, N.A. as master trustee (the “Master Trustee”), the Master Trust Indenture, as amended and supplemented through and including Supplemental Master Trust Indenture Number 3, dated as of [____], 2022 (the “Supplemental Master Indenture”) is referred to collectively as the “Master Indenture.” The Master Indenture collectively with the Indenture, the Loan Agreement, the Continuing Disclosure Agreement and this Forward Delivery Purchase Contract, are referred to herein as the “Financing Documents”).

3. Public Offering. Except as otherwise set forth in Section 16 hereof, the Underwriter agrees to make a bona fide public offering of all the Bonds at a price not in excess of the respective initial public offering prices nor below the yields, as applicable, set forth in item 4 of **Schedule A** attached hereto; provided, however, subject to Section 16 hereof, the Underwriter reserves the right to change such initial public offering prices or yields as the Underwriter deems necessary or desirable, in its discretion, in connection with the marketing of the Bonds, and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by the Underwriter, at prices lower than the public offering prices or yields greater than the yields set forth herein.

4. Official Statement. (a) In order to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”) and rules of the Municipal Securities Rulemaking Board (the “MSRB”), the Organization shall provide to the Underwriter sufficient copies of the Official Statement, in sufficient time to accompany any confirmation that requires payment from any customer and, in any event, within seven (7) business days after the Date Hereof and in no event later than two (2) business days prior to the March [___], 2022 (the “Preliminary Closing Date”). The Issuer and the Organization hereby authorize the use of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds. The Issuer and the Organization hereby ratify and confirm the use by the Underwriter prior to the Date Hereof of the Preliminary Official Statement, dated [____], 2022 (the “Preliminary Official Statement”) in connection with the public offering of the Bonds. The final Official Statement shall be substantially the same (except for insertions, deletions and changes contemplated in the Preliminary Official Statement and this Forward Delivery Purchase Contract) as the Preliminary Official Statement and shall contain only those substantive changes as are approved by the Underwriter, which approval shall not be unreasonably withheld. The Preliminary Official Statement, as of its date, was deemed final (i) by the Issuer (but only with respect to the statements therein with respect to the Issuer under the captions “THE ISSUER” and “LITIGATION”) and (ii) by the Organization (with respect to all other statements therein) for purposes of the Rule, except for permitted omissions set forth in the Rule.

(b) The Organization shall prepare or cause to be prepared an updated official statement (the “Updated Official Statement”), which shall be dated a date not more than twenty-five (25) nor less than ten (10) days (both dates inclusive) prior to the Series 2022 Settlement Date and, which, as of such date, will be correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Updated Official Statement may consist either of the Official Statement and a supplement thereto or a separate document substantially in the form of the Official Statement updated to its date. The Organization shall furnish to the Underwriter, not less than five (5) days prior to the Series 2022 Settlement Date the Updated Official Statement, in “designated electronic format” (as defined in Rule G-32 of the MSRB) to permit the Underwriter (as the Issuer and the Organization shall be informed by the Underwriter) to comply with the Rule and other applicable rules of the Securities and Exchange Commission (“SEC”) and the MSRB.

(c) The Underwriter agrees to provide a certificate at the Preliminary Closing (as hereinafter defined) stating that it has filed a copy of the Official Statement with the MSRB in accordance with the Rule and stating whether or not the Underwriter retains any unsold balance of Bonds for sale to the public. In the event that it does so retain for sale to the public any Bonds as of the Preliminary Closing, the Underwriter agrees to promptly notify the Issuer and the Organization of the date on which the Underwriter no longer retains any unsold balance of the Bonds for sale to the public. The Underwriter agrees to provide a certificate at the Series 2022 Settlement Date stating that it has filed a copy of the Updated Official Statement with the MSRB in accordance with the Rule.

5. Issuer’s Representations and Warranties. The Issuer hereby represents and warrants to, and agrees with each of the Organization and the Underwriter as follows, all of which shall survive the Preliminary Closing and the Settlement:

(a) The Issuer is duly organized and validly existing as a not-for-profit local development corporation under the laws of the State of New York, and has full legal right, power and authority to enter into this Forward Delivery Purchase Contract, and has full legal right, power and authority (i) to enter into the Financing Documents to which it is a party, (ii) to adopt the Bond Resolution, (iii) to issue, sell and deliver the Bonds to the Underwriter pursuant to the Indenture as provided herein, (iv) to pledge and assign all money deposited in the various funds established under the Indenture (except as provided in the Indenture), the investments thereof and the rights and interest of the Issuer in the Indenture as security for the payment of the principal of and interest on the Bonds, all in the manner described in the Bond Resolution, the Official Statement and the Financing Documents, (v) to approve the delivery of the Preliminary Official Statement and the Official Statement, and (vi) to carry out, give effect to and

consummate all the other transactions on its part contemplated by the Bond Resolution, the Official Statement and the Financing Documents;

(b) The Issuer has taken all necessary action and has complied with all provisions of the Constitution of the State and the Act, including but not limited to the making of the findings required by the Act, required to make this Forward Delivery Purchase Contract, the Indenture and the Bonds the valid obligations they purport to be; and when executed and delivered by the parties hereto and thereto, this Forward Delivery Purchase Contract and the Indenture will constitute legal, valid and binding agreements of the Issuer, will be enforceable against the Issuer in accordance with their respective terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied and, to the actual knowledge and belief of the Issuer, will not violate or conflict with or constitute a breach or default under the Act or any material agreement to which the Issuer is a party and except as any indemnification or contribution provisions thereof may be limited under applicable securities laws;

(c) When delivered to and paid for by the Underwriter in accordance with the terms of this Forward Delivery Purchase Contract and the Indenture, the Bonds will constitute legal, valid and binding special obligations of the Issuer enforceable against the Issuer in accordance with their terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied, and will be entitled to the benefits of the Indenture;

(d) The Issuer makes no representation or warranty that interest on the Bonds is or will continue to be exempt from federal or state income taxation;

(e) If, after the Date Hereof and until the earlier of (i) ninety (90) days after the Preliminary Closing Date or (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the Preliminary Closing Date provided, however, that if the Underwriter provides a certificate on the Preliminary Closing Date stating that it still holds Bonds for distribution to the public then such foregoing periods shall be extended until twenty-five (25) days after the "end of the underwriting period" (as such phrase is defined in the Rule), the Issuer becomes aware of any event that would cause the information appearing (i) under the caption "THE ISSUER" or (ii) under the caption "LITIGATION" (solely as it pertains to the Issuer) in the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements

therein, in the light of the circumstances under which they were made, not misleading, the Issuer agrees to notify the Underwriter (and for purposes of this paragraph to provide the Underwriter with such information as it may from time to time request), and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, at the Organization's expense to supplement or amend the Official Statement in a form and manner approved by the Underwriter, the Issuer and the Organization and to furnish at the Organization's expense to the Underwriter a reasonable number of copies of such supplement or amendment;

(f) If, after the Date Hereof and until the earlier of (i) ninety (90) days after the Series 2022 Settlement Date or (ii) the time when the Updated Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the Series 2022 Settlement Date provided, however, that if the Underwriter provides a certificate on the Series 2022 Settlement Date stating that it still holds Bonds for distribution to the public then such foregoing periods shall be extended until twenty-five (25) days after the "end of the underwriting period" (as such phrase is defined in the Rule), the Issuer becomes aware of any event that would cause the information appearing (i) under the caption "THE ISSUER" or (ii) under the caption "LITIGATION" (solely as it pertains to the Issuer) in the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer agrees to notify the Underwriter (and for purposes of this paragraph to provide the Underwriter with such information as it may from time to time request), and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Updated Official Statement, at the Organization's expense to supplement or amend the Updated Official Statement in a form and manner approved by the Underwriter, the Issuer and the Organization and to furnish at the Organization's expense to the Underwriter a reasonable number of copies of such supplement or amendment.

(g) With respect to information therein under the headings "THE ISSUER" and "LITIGATION," insofar as the information under such caption relates solely to the Issuer, the Preliminary Official Statement was as of its date and is as of the Date Hereof, the Official Statement is as of the Date Hereof and will be as of the Preliminary Closing Date and the Updated Official Statement was as of its date and will be as of the Series 2022 Settlement Date true, correct and complete in all material respects and did not, does not and will not omit any material statement which should be included therein for the purpose for which the Preliminary Official Statement, the Official Statement or the Updated Official Statement are to be used, or which is necessary to make the statements as to such matters contained therein not misleading in light of the circumstances in which they were made. The Issuer has assumed no responsibility for providing or reviewing any information contained in the Preliminary Official Statement, the Official Statement or the Updated Official Statement other than under the captions "THE ISSUER" and "LITIGATION" insofar as they relate to the Issuer; and

(h) The Issuer will, but at the expense of the Underwriter, furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions; provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

6. Organization Representations and Warranties. As inducement to the Issuer and the Underwriter to enter into this Forward Delivery Purchase Contract and to make the offering of Bonds herein contemplated, the Organization hereby represents, warrants and agrees with each of the Issuer and the Underwriter as follows, all of which shall survive the Preliminary Closing and the Series 2022 Settlement Date:

(a) The Organization has duly authorized all necessary action to be taken by it for: (i) the loan to the Organization of the proceeds from the issuance and delivery of the Bonds by the Issuer upon the terms set forth in this Forward Delivery Purchase Contract and in the Official Statement; (ii) the approval of the Preliminary Official Statement, the Official Statement, the Updated Official Statement and the use by the Underwriter of the Preliminary Official Statement, the Official Statement and the Updated Official Statement in connection with the sale of the Bonds; and (iii) the execution, delivery and performance by the Organization of and under the Financing Documents to which it is a party and any and all such other agreements and documents as may be required to be executed, delivered and received by the Organization in order to carry out the transactions contemplated by such instruments and by the Official Statement. As of the Date Hereof, this Forward Delivery Purchase Contract constitutes a legal, valid and binding agreement of the Organization enforceable against the Organization in accordance with its terms, except as enforceability may be subject to the exercise of judicial discretion in accordance with general equitable principles and to applicable bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors heretofore or hereafter enacted to the extent that the same may be constitutionally applied and except as any indemnification or contribution provisions thereof may be limited under applicable securities laws. On the Preliminary Closing Date, the form of the Financing Documents will be delivered to the Underwriter and, assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, will, after execution by the Organization and the other parties, constitute legal, valid and binding obligations of the Organization enforceable in accordance with their respective terms, except as the enforceability thereof may be limited by laws relating to bankruptcy, insolvency, reorganization or other similar laws of general application affecting the rights of creditors and general principles of equity and except as any indemnification or contribution provisions thereof may be limited under applicable securities laws;

(b) The execution and delivery of, and compliance with the terms and conditions of, the Financing Documents to which it is a party, and the carrying out and consummation of the transactions contemplated thereby and by the Official Statement, will not at the time of such execution and delivery, do not and will not violate or conflict with any of the terms and provisions of any statute, or any rule, order, regulation, judgment or decree of any court, agency, or other governmental or administrative board or body to which the Organization is subject, or conflict with or constitute a breach of or a default under any provision of the Organization's articles of organization or by-laws, or any material agreement, indenture, mortgage, lease, deed of trust, or other instrument to which the Organization is a party or by which the Organization or its properties are bound, except for violations, conflicts, breaches or defaults that would not have a material adverse effect on the Organization;

(c) With respect to the information under the headings "INTRODUCTION," "THE ORGANIZATION," "PLAN OF FINANCE," "ESTIMATED SOURCES AND USES OF FUNDS," "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS," "BONDHOLDERS RISKS" "LITIGATION" (as it relates to the Organization and "CONTINUING DISCLOSURE" (as it relates to the Organization), "FINANCIAL REPORTING," "MISCELLANEOUS (as it relates to the Organization") and has furnished Appendix A and B, (collectively, the "Covered Sections"), the Preliminary Official Statement was as of its date and is as of the Date Hereof, the Official Statement is as of the Date Hereof and will be as of the Preliminary Closing Date, and the Updated Official Statement will be as of its date and will be as of the Series 2022 Settlement Date, true and correct in all material respects and did not, does not and will not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Organization has approved and consents to the use of the Preliminary Official Statement, the Official Statement and the Updated Official Statement by the Underwriter;

(e) Except as described in the Preliminary Official Statement and the Official Statement, in the past five (5) years, the Organization has not failed to comply in any material respect with any previous undertaking in a written contract or agreement of the type specified in paragraph (b)(5)(i) of the Rule; and

(f) Since December 31, 2021 there has been no material adverse change in the financial position of the Organization not disclosed in writing to the Underwriter or disclosed in the Preliminary Official Statement and the Official Statement, nor has the Organization incurred any material liabilities other than liabilities that have been incurred in the ordinary course of business or that are set forth in or contemplated by the Preliminary Official Statement and the Official Statement.

7. Covenants of the Organization. The Organization covenants and agrees with the Issuer and the Underwriter as follows:

(a) If either during (i) the period between the Date Hereof and the Preliminary Closing Date or (ii) the period between the Preliminary Closing Date and the date ninety (90) days after the end of the underwriting period (as defined in the Rule) (or, if earlier, the date by which the Official Statement is available to any person from the MSRB, but in no event less than twenty-five (25) days after the end of the underwriting period (as defined in the Rule)), any event shall occur as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances in which they were made and at the time when the Official Statement is delivered to a prospective purchaser true and correct in all material respects and with no omission of material facts necessary to make the statements therein, in light of the circumstances in which they were made not misleading, the Organization will cooperate in the preparation of a revised Official Statement or amendments or supplements to the Official Statement so that the statements in the Official Statement, as revised, or the Official Statement, as so amended or supplemented, will not, in light of the circumstances in which they were made and at the time when such Official Statement is delivered to a prospective purchaser, be misleading. As required by Section 4 hereof, the Underwriter shall promptly notify the Organization (i) if the date of the end of the underwriting period (as defined in the Rule) is more than ninety (90) days after the Preliminary Closing Date, and (ii) regardless of the notice in clause (i) of this sentence, the date that is the end of the underwriting period. In the absence of such notice, the Organization shall deem the end of the underwriting period to be ninety (90) days after the Preliminary Closing Date;

(b) If either during (i) the period between the Preliminary Closing Date and the Series 2022 Settlement Date or (ii) the period between the Series 2022 Settlement Date and the date ninety (90) days after the end of the underwriting period (as defined in the Rule) (or, if earlier, the date by which the Official Statement is available to any person from the MSRB, but in no event less than twenty-five (25) days after the end of the underwriting period (as defined in the Rule)), any event shall occur as a result of which it is necessary to amend or supplement the Updated Official Statement in order to make the statements therein, in light of the circumstances in which they were made and at the time when the Updated Official Statement is delivered to a prospective purchaser true and correct in all material respects and with no omission of material facts necessary to make the statements therein, in light of the circumstances in which they were made not misleading, the Organization will cooperate in the preparation of a revised Updated Official Statement or amendments or supplements to the Updated Official Statement so that the statements in the Updated Official Statement, as revised, or the Updated Official Statement, as so amended or supplemented, will not, in light of the circumstances in which they were made and at the time when such Official Statement is delivered to a prospective purchaser, be misleading. As required by Section 4 hereof, the Underwriter shall promptly notify the Organization (i) if the date of the end of the underwriting period (as defined in the Rule) is more than ninety (90) days after the Series 2022 Settlement Date, and (ii) regardless of the notice in clause (i) of this sentence, the date that is the end of the underwriting period. In the absence of such notice, the Organization shall deem the end of the underwriting period to be ninety (90) days after the Series 2022 Settlement Date;

(c) The Organization will cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Organization shall not be required to qualify as a foreign corporation or to file a general written consent to suit or service of process in any jurisdiction;

(d) Between the Date Hereof and the Series 2022 Settlement Date, the Organization will not take any action that would cause the representations and warranties contained in Section 6 of this Forward Delivery Purchase Contract to be untrue as of the Series 2022 Settlement Date. On the Preliminary Closing Date, the Organization shall deliver or cause to be delivered to Bond Counsel to be held in escrow pending the Series 2022 Settlement Date, all opinions, certificates and other documents to be delivered by it or on its behalf as provided for in this Forward Delivery Purchase Contract, and to deliver such additional certificates and other documents as the Issuer may reasonably request to evidence performance of or compliance with the provisions of this Forward Delivery Purchase Contract and the transactions contemplated by the Official Statement and the Financing Documents, all such certificates and other documents to be reasonably satisfactory in form and substance to the Underwriter and the Issuer;

(e) In order to permit the Underwriter to satisfy its obligations under Section 4 of this Forward Delivery Purchase Contract, the Organization will furnish to the Underwriter copies of the Official Statement and any amendments and supplements thereto, in each case as soon as practicable, but in any event in the case of the Official Statement within seven (7) business days of the date of this Forward Delivery Purchase Contract and in no event less than two (2) business days prior to the Preliminary Closing Date, which copies shall be furnished at a minimum in such quantities as shall be reasonably requested by the Underwriter to fulfill its obligations under paragraph (b)(4) of the Rule. In order to permit the Underwriter to satisfy its obligations under Section 4 of this Forward Delivery Purchase Contract, the Organization will furnish to the Underwriter copies of the Updated Official Statement and any amendments and supplements thereto, in each case as soon as practicable, but in any event in the case of the Updated Official Statement within seven (7) business days of the date of this Forward Delivery Purchase Contract and in no event less than two (2) business days prior to the Series 2022 Settlement Date, which copies shall be furnished at a minimum in such quantities as shall be reasonably requested by the Underwriter to fulfill its obligations under paragraph (b)(4) of the Rule;

(f) The Organization shall indemnify and hold harmless (except to the extent, if any, that a court of competent jurisdiction determines that such agreement to indemnify and hold harmless is not enforceable as a result of being contrary to law or public policy) the Issuer, each officer, director, employee and agent of the Issuer and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended (the “Securities Act”), or Section 20 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) any of such parties (hereinafter collectively called the “Issuer Indemnified Parties”), against any and all losses, claims, damages, liabilities, costs or expense whatsoever

arising out of: (i) any breach by the Organization of any of its representations and warranties as set forth in Section 6 hereof; and (ii) any allegation that there is as of the Preliminary Closing Date or the Series 2022 Settlement Date any untrue statement of a material fact contained in the Indemnified Information (as defined below) or the omission therefrom of any material fact necessary in order to make the statements made in light of the circumstances under which they were made not misleading. In case any claim shall be made or action brought against one or more of the Issuer Indemnified Parties, in respect of which indemnity may be sought against the Organization, the Issuer Indemnified Party or Parties shall promptly notify the Organization in writing setting forth the particulars of such claim or action and the Organization shall assume the defense thereof including the retention of counsel and the payment of all reasonable expenses. The Issuer Indemnified Party or Parties shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Issuer Indemnified Party unless (1) the retention of such counsel has been specifically authorized by the Organization, (2) the Issuer Indemnified Party shall have reasonably concluded that there may be a conflict of interest between it and the Organization in the conduct of the defense of such action, or (3) the Organization shall not in fact have employed counsel reasonably satisfactory to such Issuer Indemnified Party. For the purposes of this paragraph and the next succeeding paragraph, the term "Indemnified Information" shall mean the statements and information contained in the Covered Sections of the Preliminary Official Statement, the Official Statement and the Updated Official Statement (except for any projections and opinions of any entity other than the Organization). The Organization shall not be liable for any settlement of such action effected without its consent, but if settled with the consent of the Organization, or if there is final judgment for the plaintiff in any such action with or without consent, the Organization agrees to indemnify and hold harmless the Issuer Indemnified Party or Parties from and against any loss or liability by reason of settlement or judgment to the extent set forth in this paragraph; provided, however, that failure to so notify the Organization (1) will not relieve the Organization from its liability unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the Organization of substantial rights and defenses; and (2) will not, in any event, relieve the Organization from any obligations to the Underwriter Indemnified Party or Parties other than the indemnification obligation. The indemnity provided in this paragraph includes reimbursement for expenses reasonably incurred by the Issuer Indemnified Parties in investigating the claim and in defending it if the Organization declines to assume the defense. The indemnity provided in this paragraph shall survive the Preliminary Closing and the Settlement;

(g) The Organization shall indemnify and hold harmless (except to the extent, if any, that a court of competent jurisdiction determines that such agreement to indemnify and hold harmless is not enforceable as a result of being contrary to law or public policy) the Underwriter, each officer, director, employee and agent of the Underwriter and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act or Section 20 of the Exchange Act) any of such parties (hereinafter collectively called the "Underwriter Indemnified Parties"), against any and all losses, claims, damages, liabilities, costs or expense whatsoever arising out of: (i) any breach by the Organization of any of its representations and warranties as set forth in Section 6 hereof; or (ii) any allegation that there is as of the Date Hereof or as of

the Preliminary Closing Date or as of the Series 2022 Settlement Date any untrue statement of a material fact contained in the Indemnified Information or the omission therefrom of any material fact necessary in order to make the statements made in light of the circumstances under which they were made not misleading. In case any claim shall be made or action brought against one or more of the Underwriter Indemnified Parties, in respect of which indemnity may be sought against the Organization, the Underwriter Indemnified Party or Parties shall promptly notify the Organization in writing setting forth the particulars of such claim or action and the Organization shall assume the defense thereof including the retention of counsel and the payment of all reasonable expenses; provided, however, that failure to so notify the Organization (1) will not relieve the Organization from its liability unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the Organization of substantial rights and defenses; and (2) will not, in any event, relieve the Organization from any obligations to the Underwriter Indemnified Party or Parties other than the indemnification obligation. The Underwriter Indemnified Party or Parties shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Underwriter Indemnified Party unless (A) the retention of such counsel has been specifically authorized by the Organization, (B) the Underwriter Indemnified Party shall have reasonably concluded that there may be a conflict of interest between it and the Organization in the conduct of the defense of such action, or (C) the Organization shall not in fact have employed counsel reasonably satisfactory to such Underwriter Indemnified Party. The Organization shall not be liable for any settlement of such action effected without its consent, but if settled with the consent of the Organization, or if there is final judgment for the plaintiff in any such action with or without consent, the Organization agrees to indemnify and hold harmless the Underwriter Indemnified Party or Parties from and against any loss or liability by reason of settlement or judgment to the extent set forth in this paragraph. The indemnity provided in this paragraph includes reimbursement for expenses reasonably incurred by the Underwriter Indemnified Parties in investigating the claim and in defending it if the Organization declines to assume the defense. The indemnity provided in this paragraph shall survive the Preliminary Closing and the Series 2022 Settlement Date; and

(h) In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in (e) above is for any reason held to be unavailable to the Issuer in accordance with its terms, the Organization and the Issuer shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Organization and the Issuer in such proportions that the Issuer is responsible for that portion represented by the percentage that the Issuer's issuance expenses (including legal, administrative, financing, and incidental expenses of the Issuer) bears to the initial public offering prices appearing on the inside cover page of the Official Statement and the Organization is responsible for the balance and in order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in (f) above is for any reason held to be unavailable to the Underwriter in accordance with its terms, the Organization and the Underwriter shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Organization and the Underwriter in such proportions that the Underwriter is responsible for that portion represented by the

percentage that the Underwriter's discount on the sale of the Bonds bears to the initial public offering prices appearing on the inside cover page of the Official Statement and the Organization is responsible for the balance; provided, however, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. In addition, each person, if any, who controls either of the Issuer or the Underwriter within the meaning of Section 15 of the Securities Act shall have the same rights to contribution as the Issuer or the Underwriter, as applicable.

8. Registered Form. The Bonds shall be in fully registered form, and one typewritten Bond in the aggregate principal amount of each maturity of the Bonds shall be registered initially in the name of CEDE & Co. as nominee of The Depository Trust Company ("DTC").

9. Auditor Letters. On or before the date of the Preliminary Official Statement, the Organization shall have delivered to the Underwriter a copy of a letter of CliftonLarsonAllen LLP (the "Auditor"), addressed to the Organization, agreeing to the inclusion in the Preliminary Official Statement of the Auditor's report relating to its audit of the financial statements of the Organization for the fiscal year ended December 31, 2020 and 2019, (the "Audit Report"). Prior to mailing of the Official Statement, the Organization shall deliver to the Underwriter (i) a copy of a letter of the Auditor addressed to the Organization, agreeing to the inclusion in the Official Statement of the Audit Report and (ii) an agreed upon procedures letter of the Baker Tilly US, LLP, formerly Baker Tilly Virchow Krause, LLP ("Baker Tilly") addressed to the Organization and the Underwriter, dated the date of the Official Statement as to the financial information set forth in Appendix B to the Official Statement.

10. Preliminary Closing. On the Preliminary Closing Date, or such other date as shall have been mutually agreed upon, the Issuer and the Organization will deliver to the Underwriter, the form of the Financing Documents, the certificates, opinions and other documents required by Section 12(b) hereof to Bond Counsel at such place as shall have been mutually agreed upon by the Issuer, the Organization and the Underwriter. The execution and delivery of such documents, certificates, and opinions is herein called the "Preliminary Closing."

11. Settlement. On the Series 2022 Settlement Date, or such other date as shall have been mutually agreed upon, the Issuer and the Organization will deliver to the Underwriter, by delivery of the Bonds to the Trustee as custodial agent for DTC, the Bonds in fully registered definitive form, duly executed and authenticated, together with the other documents required by Section 12(c), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in item 5 of **Schedule A** attached hereto (all of the foregoing described transactions are herein called the "Settlement"). The Settlement will

be via the Fast Automated Securities Transfer program “FAST” of DTC and the Bonds will be held by the Trustee, as custodial agent for DTC. Payment for the Bonds as aforesaid shall be made at such place in New York, New York, as shall have been mutually agreed upon. The Bonds will be made available for examination in New York, New York one (1) business day prior to the Series 2022 Settlement Date.

12. Conditions Precedent. The Underwriter’s obligations hereunder to purchase and pay for the Bonds shall be subject to the performance by the Issuer and the Organization of their respective obligations to be performed hereunder at or prior to the Settlement and the accuracy in all material respects of the representations and warranties contained herein as of the Date Hereof, as of the Preliminary Closing Date and as the Series 2022 Settlement Date and shall be subject to the following:

(a) That at the time of the Settlement, (i) the Financing Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented except as may have been agreed to by the Underwriter, the Issuer and the Organization, and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, the Issuer, with respect to the information under the heading “THE ISSUER” and “LITIGATION” insofar as such information relates to the Issuer, and the Organization; and (ii) there shall have been taken in connection with the issuance of the Bonds such actions as, in the opinion of Bond Counsel shall be necessary and appropriate in connection with the transactions contemplated hereby; and

(b) That at or prior to the Preliminary Closing, the undersigned shall receive the following documents:

(i) executed copies of the Financing Documents to be held in escrow until the Settlement Date;

(ii) a copy of the Official Statement executed on behalf of the Organization by its chief executive officer and/or its chief financial officer as to its information included therein as Appendix A;

(iii) a letter from Bond Counsel, dated as of the date of the Preliminary Closing and addressed to the Issuer, to the effect that that, assuming satisfaction by the Issuer, the Organization and the Underwriter of their respective obligations to be satisfied in the Forward Delivery Purchase Contract, and the issuance of the Bonds, and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise) which, in Bond Counsel’s view, affect or are material to their opinions (including, without limitation, the existence of any litigation), Bond Counsel

expects to be able to (A) issue on the Series 2022 Settlement Date its opinion with respect to the Bonds in substantially the form attached hereto as Appendix F-2 of the Official Statement and (B) issue reliance letters from Bond Counsel addressed to the Underwriter and the Trustee, stating that the Underwriter and the Trustee may rely on such opinions as though they were addressed to them;

(iv) a certificate, dated as of the Preliminary Closing Date, of an authorized officer of the Issuer, to the effect that (A) no litigation is pending or, to his or her knowledge, threatened against the Issuer (either in state or federal courts) seeking to restrain or enjoin the issuance, execution or delivery of the Bonds or in any manner questioning the proceedings or authority for the issuance of them or affecting directly or indirectly the validity of the Bonds or of any provisions made or authorized for their payment, including the Forward Delivery Purchase Contract and the Indenture or contesting the existence of the Issuer or the title of any of its members or officers to their respective offices; (B) that the representations and warranties of the Issuer contained in the Forward Delivery Purchase Contract and the Loan Agreement are true and correct as of the Preliminary Closing Date; (C) that the resolutions with respect to the Bonds adopted by the Issuer were adopted in accordance with law and the by-laws of the Issuer and remain in full force and effect in the form initially adopted;

(v) a supplemental opinion of Bond Counsel, dated the Preliminary Closing Date and addressed to the Issuer and the Underwriter, in the form of **Exhibit 2** hereto;

(vi) The opinion, dated the Preliminary Closing Date, of Hawkins, Delafield & Wood LLP, counsel to the Organization, addressed to the Issuer and to the Underwriter substantially in the form of **Exhibit 3** attached hereto

(vii) a certificate of the Organization, dated the Preliminary Closing Date and signed by an authorized officer of the Organization, and in form and substance reasonably satisfactory to the Underwriter, to the effect that (i) each of the representations and warranties set forth in Section 6 hereof and in the other Financing Documents is true and correct in all material respects on and as of the Preliminary Closing Date; the Organization is not in default in any material respect with respect to any of the covenants set forth in Section 7 hereof on and as of the Preliminary Closing Date; and no Event of Default by the Organization under the Loan Agreement or under any of the documents or agreements contemplated therein or under this Forward Delivery Purchase Contract, and no event which but for the lapse of time or service of notice or both would constitute an Event of Default under the Loan Agreement, has occurred and is continuing; (ii) since the Date Hereof, there has been no material adverse change in the business or property or financial condition of the Organization, except as set forth in or contemplated by the Preliminary Official Statement, or the Official Statement; (iii) since the date of the Official Statement, there has been no material change in, and no material change is contemplated in, the identity or control of the Organization; (iv) except as disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation of any kind against the Organization before or by any New York or federal court or governmental agency or body pending or, to the best knowledge and belief of the

Organization, threatened in writing (A) which in any case or in the aggregate, if adversely determined, would result in any material liability on the part of the Organization or inability of the Organization to conduct its business or perform the obligations contemplated in the Financing Documents, or (B) wherein an adverse decision, ruling or finding would (a) materially adversely affect the transactions contemplated by the Financing Documents or the security for the Bonds, or (b) adversely affect the validity or enforceability of the Bonds or the Financing Documents; (v) the information contained in the Preliminary Official Statement, as of its date and as of the Date Hereof and the Official Statement as of its date and as of the Preliminary Closing Date, in the Covered Sections was and is true and correct, and did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(viii) copies of the resolutions adopted by the Board of Directors of the Organization authorizing the execution and delivery of the Financing Documents to which it is a party and the approval of the Official Statement, certified by the Clerk or Secretary or other authorized officer of the Organization as having been duly adopted and being in full force and effect;

(ix) rating letters by Fitch Ratings Service confirming the underlying rating and outlook on the Bonds, as described in the Official Statement;

(x) a copy of the Blue Sky survey with respect to the Bonds;

(xi) The opinion, dated as of the date of the Preliminary Closing, of Harris Beach PLLC, Counsel to the Underwriter, addressed to the Underwriter, in form satisfactory to the Underwriter;

(xii) a letter of the Baker Tilly, dated as of the date of Preliminary Closing, to the effect that such accountants reaffirm, as to the Official Statement, as of a date not more than five (5) business days prior to the Preliminary Closing Date, the statements made in the agreed upon procedures letter furnished by such accountants pursuant to Section 9 hereof;

(xiii) A report, dated the Preliminary Closing Date, of [_____], to the effect that it has verified the accuracy of the mathematical computations of the adequacy of the cash and the maturing principal of and interest earned on investments, if applicable, held to provide for the payment of the principal or redemption price of and interest on the Series 2013 Bonds when due, to and including their respective redemption dates;

(xiv) a certificate, dated as of the Preliminary Closing Date, of the Underwriter in substantially the form attached hereto as Exhibit 3; and

(xv) executed copies of the Delayed Delivery Agreements (as described in the Official Statement).

(c) That at or prior to the 2022 Series Settlement Date, the undersigned shall receive the following documents:

(i) executed copies of the Financing Documents;

(ii) a copy of the Updated Official Statement executed on behalf of the Organization by its chief executive officer and/or its chief financial officer as to its information included therein as Appendix A;

(iii) an opinion of Bond Counsel, dated as of the Series 2022 Settlement Date, in substantially the form attached as Appendix F-2 to the Official Statement together with a letter to the Underwriter and the Trustee, stating that the Underwriter and the Trustee may rely on such opinion as if it were addressed to it;

(iv) a certificate, dated as of the Series 2022 Settlement Date, of an authorized officer of the Issuer, to the effect that (A) no litigation is pending or, to his or her knowledge, threatened against the Issuer (either in state or federal courts) seeking to restrain or enjoin the issuance, execution or delivery of the Bonds or in any manner questioning the proceedings or authority for the issuance of them or affecting directly or indirectly the validity of the Bonds or of any provisions made or authorized for their payment, including the Forward Delivery Purchase Contract and the Indenture or contesting the existence of the Issuer or the title of any of its members or officers to their respective offices (but in lieu of such certificate, the Underwriter may accept an opinion of counsel to the Issuer in form and substance acceptable to the Underwriter, that in its opinion the issues raised in any such pending or threatened litigation are without substance or that the contentions of any plaintiffs therein are without merit); (B) that the representations and warranties of the Issuer contained in the Forward Delivery Purchase Contract and the Indenture are true and correct as of the Series 2022 Settlement Date; (C) that the resolutions with respect to the Bonds adopted by the Issuer were adopted in accordance with law and the by-laws of the Issuer and remain in full force and effect in the form initially adopted; and (D) that the Indenture, the Forward Delivery Purchase Contract and the Bonds were executed by duly authorized officers of the Issuer;

(v) a supplemental opinion of Bond Counsel, dated the Series 2022 Settlement Date and addressed to the Issuer and the Underwriter, in the form of **Exhibit 2** hereto;

(vi) The opinion, dated the Series 2022 Settlement Date, of Hawkins, Delafield & Wood, LLP, counsel to the Organization, addressed to the Issuer and to the Underwriter substantially in the form of **Exhibit 3** attached hereto;

(vii) a certificate of the Organization, dated the Series 2022 Settlement Date and signed by an authorized officer of the Organization, and in form and substance

reasonably satisfactory to the Underwriter, to the effect that (i) each of the representations and warranties set forth in Section 6 hereof of the Loan Agreement is true and correct in all material respects on and as of the Series 2022 Settlement Date; the Organization is not in default in any material respect with respect to any of the covenants set forth in Section hereof on and as of the Series 2022 Settlement Date; and no Event of Default by the Organization under the Loan Agreement or under any of the documents or agreements contemplated therein or under this Forward Delivery Purchase Contract, and no event which but for the lapse of time or service of notice or both would constitute an Event of Default under the Loan Agreement, has occurred and is continuing; (ii) since the Preliminary Closing Date, there has been no material adverse change in the business or property or financial condition of the Organization, except as set forth in or contemplated by the Updated Official Statement; (iii) since the date of the Updated Official Statement, there has been no material change in, and no material change is contemplated in, the identity or control of the Organization; (iv) except as disclosed in the Preliminary Official Statement, the Official Statement and the Updated Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation of any kind against the Organization before or by any New York or federal court or governmental agency or body pending or, to the best knowledge and belief of the Organization, threatened in writing (A) which in any case or in the aggregate, if adversely determined, would result in any material liability on the part of the Organization or inability of the Organization to conduct its business or perform the obligations contemplated in the Financing Documents, or (B) wherein an adverse decision, ruling or finding would (a) materially adversely affect the transactions contemplated by the Financing Documents or the security for the Bonds, or (b) adversely affect the validity or enforceability of the Bonds or the Financing Documents; (v) the information contained in the Updated Official Statement as of its date and as of the Series 2022 Settlement Date, in the Covered Sections was and is true and correct, and did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made;

(viii) the Bonds;

(ix) the opinion of Harris Beach, PLLC, Counsel to the Underwriter, dated the Series 2022 Settlement Date, addressed to the Underwriter, in form satisfactory to the Underwriter;

(x) documents evidencing the refunding, and defeasance, as applicable, of the Series 2013 Bonds to be refunded with the proceeds of the Bonds, including the executed Letter of Instruction;

(xi) other certificates of the Issuer and the Organization listed on a closing memorandum to be approved by Bond Counsel and counsel to the Underwriter, including any certificates or representations of the Organization or other parties required in order for Bond Counsel to deliver the opinion referred to in paragraph (iii) above, as well as legal opinions, certificates, proceedings, instruments and other documents as the Bond Counsel

or counsel to the Underwriter may reasonably request to evidence compliance by the Issuer and the Organization with legal requirements, the truth and accuracy, in all material respects as of the time of Settlement, of the respective representations of the Issuer and of the Organization contained herein and the due performance or satisfaction in all material respects by the Issuer and the Organization at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the Organization which certificates shall be deemed to be a representation to the Underwriter as to the statements made therein.

13. Termination by Underwriters. The obligation of the Underwriter to purchase and pay for the Bonds at Settlement shall be subject to the performance by Issuer and the Obligated of their respective obligations to be performed under this Forward Delivery Purchase Contract at or prior to the Preliminary Closing and at or prior to the Settlement and to the accuracy of the representations and warranties of Issuer and the Organization contained in this Forward Delivery Purchase Contract as of the date hereof, the Preliminary Closing Date and the Series 2022 Settlement Date (it being specifically understood that for purposes of satisfying this condition and the conditions in Section 13 hereof, the term “Official Statement” and “Updated Official Statement” shall include any amendments thereof or supplements thereto pursuant to Sections 5 and 6 hereof), and shall also be subject to the following additional conditions:

(a) Events Permitting Underwriter to Terminate Prior to the Preliminary Closing. The Underwriter may terminate its obligations to purchase the Bonds at any time before the Preliminary Closing if any of the following occurs:

(i) legislation shall be enacted by the State or the United States or introduced in or favorably reported to either the United States House of Representatives or the United States Senate or a decision by a court of the United States or the United States Tax Court shall be rendered or a ruling or regulation (final, temporary or proposed) shall be made by or on behalf of the Treasury Department of the United States, or a release or official statement shall be issued by the President, or the Treasury Department, that makes the revenues or other income of the general character expected to be derived by the Issuer under the Loan Agreement, or the interest received on bonds of the general character of the Bonds, subject to federal income taxation, or New York personal income taxation which would have the effect of changing directly or indirectly the federal income taxation, or New York personal income taxation of interest on bonds of the general character of the Bonds in the hands of the owners thereof, which in the reasonable judgement of the Underwriter materially adversely affects the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(ii) there shall have occurred an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or any national or international calamity or crisis or a financial crisis, the effect of which on the financial markets of the United States is, in the reasonable judgment of the Underwriter, to materially adversely affect the market price or marketability of the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(iii) there shall have occurred a general suspension of trading on the New York Stock Exchange shall have occurred and be in force or minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by such Exchange or by order of the SEC or any other governmental authority the effect of which on the financial markets of the United States is, in the reasonable judgment of the Underwriter, to materially adversely affect the market price or marketability of the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(iv) a general banking moratorium shall have been declared by either federal or State authorities and be in force or a material disruption in commercial banking and securities settlement and clearance services shall have occurred, the effect of which on the financial markets of the United States is, in the reasonable judgment of the Underwriter, to materially adversely affect the market for the Bonds or the sale, at the contemplated offering price or prices (or yield or yields), by the Underwriter of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(v) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds is in violation or would be in violation of any provisions of the Securities Act, the Exchange Act or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); or

(vi) any legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission or any other agency of the Federal government having jurisdiction of the subject matter or a court of competent jurisdiction, which has the effect of requiring registration of the Bonds under the Securities Act, or the Indenture, or any other document executed in connection with the transactions contemplated herein, to be qualified under the Trust Indenture Act; or that the issuance, offering, or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of Federal securities law as amended and then in effect; or

(vii) any event or condition shall occur that, in the reasonable judgment of the Underwriter, renders untrue or incorrect, in any material respect as of the time to which the same purports to relate, the information contained in the Official Statement, or that requires that information not reflected in such Official Statement should be reflected therein in order to make the statements and information contained therein, in light of the circumstances under which they were made, not misleading in any material respect as of such time; provided that the Issuer, the Organization and the Underwriter will use their best efforts to amend or supplement the Official Statement to reflect, to the satisfaction of the Underwriter, such changes in or additions to the information contained in the Official Statement; or

(viii) the Organization or the Bonds shall be downgraded by any bond rating agency that rates the Organization or the Bonds.

(b) The Underwriter's Right to Terminate this Forward Delivery Purchase Contract between the Preliminary Closing and the Series 2022 Settlement Date. The Underwriter may terminate this Forward Delivery Purchase Contract by notification in writing to Issuer and the Organization if at any time subsequent to the Preliminary Closing and at or prior to the Series 2022 Settlement Date if any of the following occurs:

(i) legislative, executive or regulatory action or a court decision which, in the judgment of the Underwriter, casts sufficient doubt on the legality of the Bonds or the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds or New York personal income taxation so as to impair materially the marketability or to materially lower the market price thereof; or

(ii) any action by the Securities and Exchange Commission or a court which would require registration of the Bonds under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Indenture under the Trust Indenture Act of 1939, as amended; or

(iii) any general suspension of trading in securities on the New York Stock Exchange or the establishment, by the New York Stock Exchange, by the Securities and Exchange Commission, by any federal or state agency, or by the decision of any court, of any limitation on prices for such trading, or any outbreak of hostilities or other national or international calamity or crisis, or any material escalation in any such hostilities, calamity or crisis, which in the sole judgment of the Underwriter may have a material effect on the marketability or market price of the Bonds; or

(iv) any event shall have occurred, or information become known, prior to the Series 2022 Settlement Date, which makes untrue, incorrect or misleading in any material respect any statement or information contained in the Updated Official Statement or has the effect that the Updated Official Statement contains an untrue, incorrect or misleading statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and which statement requires an additional supplement to the Updated Official Statement, and such supplement has not been delivered to the Underwriter on or prior to the 2022 Settlement date; or

(v) pending or threatened litigation affecting or arising out of the issuance of the Bonds, which in the judgment of the Underwriter would materially impair the marketability or materially lower the market price of the Bonds; or

(vi) there shall be in force a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required and be in force on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or

(vii) the Organization shall fail to deliver its audited financial statements for the year ending December 31, 2022 with an unqualified opinion of an independent auditor; or

(viii) there shall have occurred an “Event of Default” under the Indenture or Loan Agreement or there shall have occurred a failure to make a payment of principal or interest, when due beyond any applicable grace or cure period with respect to the Series 2022 Bonds or Additional Bonds (as defined in the Indenture); or

(ix) as of the Settlement Date, the Organization has requested that the rating on the Bonds be voluntarily withdrawn; or

(x) Bond Counsel determines that for any reason it will not be able to render its opinion substantially in the form attached as Appendix F-2 to the Official Statement and Bond Counsel provides written notice thereof to the Issuer and the Underwriter (the “Bond Counsel Notice”), and the Issuer does not notify the Underwriter within five business days of receipt of the Bond Counsel Notice that it has retained a new firm or firms to deliver such opinion.

If the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Forward Delivery Purchase Contract, this Forward Delivery Purchase Contract shall terminate and no party shall be under further obligation hereunder; except that the obligations for the payment of expenses, as provided in Section 14 hereof and the Organization’s indemnity as provided in Section 7(e) and (f) hereof, shall continue in full force and effect.

14. Payment of Expenses. All expenses and costs of the Issuer incident to the performance of its obligations in connection with the authorization, sale and delivery of the Bonds to the Underwriter, specifically including, without limiting the generality of the foregoing, the cost of preparing, printing or reproducing the Bonds, the Preliminary Official Statement, the Official Statement, the Updated Official Statement, the Financing Documents, and all ancillary papers, and reasonable fees and expenses of Issuer’s Counsel, Bond Counsel and Underwriter’s counsel as previously agreed, shall be paid by the Organization.

All expenses and costs incurred by the Organization in connection with the transactions contemplated hereunder shall be paid by the Organization, including any expenses incurred by the Underwriter on behalf of the Organization’s employees that are incidental to implementing this Forward Delivery Purchase Contract, including, but not limited to meals of those employees. In addition, if the Closing does not occur as a result of the failure of the Organization to meet its obligations hereunder, including without limitation the satisfaction of the conditions to the Closing set forth in Section 12(c), the Organization shall reimburse the Underwriter for all reasonable out-of-pocket expenses, including but not limited to reasonable counsel fees, including the cost of producing this Forward Delivery Purchase Contract, the fees and expenses for qualification of Bonds for sale under state securities laws and preparation of the Blue Sky memoranda, incurred by them in connection with the contemplated transactions hereunder. The

Underwriter shall pay all of the other costs and expenses incurred by it in connection with the public offering and distribution of the Bonds.

In order to ensure compliance with applicable state and/or local ethics statutes that may apply to employees of the Issuer as well as federal securities regulations that may apply to the Underwriter, the Issuer shall be responsible for the payment of any expenses on behalf of the Issuer's employees that are incidental to implementing this Forward Delivery Purchase Contract or the issuance of the Bonds, including, but not limited to, meals, transportation, lodging and entertainment of those employees.

15. Underwriter's Representations and Agreements. The Underwriter hereby represents, warrants and agrees as follows:

(a) The Underwriter has neither requested nor received from (nor does the Underwriter expect to receive from or have reviewed by) the Issuer or any of its directors, officers, employees or agents any information with respect to the Organization, the Project, the Bonds or the security purported to be afforded by the Indenture, or otherwise, except for any such information that is included within the express representations and warranties of the Issuer in this Forward Delivery Purchase Contract or the Indenture or under the captions "THE ISSUER" and "LITIGATION" (solely with respect to the information pertaining to the Issuer) in the Official Statement, the Updated Official Statement or in any other instrument delivered to the Underwriter by or on behalf of the Issuer in connection with the transactions contemplated hereby or thereby;

(b) The Underwriter has not relied and does not rely on any findings or action taken by the Issuer as constituting information with respect to the Organization, the refinancing of the Series 2013 Bonds, the Bonds or the security purported to be afforded by the Indenture, or otherwise; and

(c) Neither the Issuer nor any of its directors, officers, employees or agents shall have any responsibility to the Underwriter for the completeness of the information obtained by the Underwriter from any source with respect to the Organization or its assets, businesses, circumstances, financial conditions and properties, or with respect to the refinancing of the Series 2013 Bonds, the Bonds or the security purported to be afforded by the Indenture, or otherwise, or, subject only to the exceptions stated in (a) above, for the accuracy of such information and the Underwriter acknowledges that, as between itself and the Issuer, the Underwriter assumes responsibility for obtaining such information and making such investigation as it deems necessary or desirable in connection with its decision to purchase the Bonds.

16. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer and the Organization in establishing the issue price of the Bonds and shall execute and deliver to the Issuer and the Organization on or prior to the Preliminary Closing an “issue price” or similar certificate together with supporting pricing wires or equivalent communications substantially in the form attached hereto as **Exhibit 1** (the “Issue Price Certificate”), with modifications to such certificate as may be deemed appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer, the Organization and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in **Schedule A to Exhibit 1** attached hereto, the Issuer and the Organization will treat the first price at which 10% of each maturity (as defined in **Exhibit 1**) of Bonds on **Schedule A to Exhibit 1** as subject to the 10% test is sold to the public (the “10% test”) as the issue price of that maturity. On the Date Hereof, the Underwriter shall report to the Issuer and Organization the price or prices at which each maturity of the Bonds has been sold to the public. As of the Date Hereof, [all] [a portion] [none] of the maturities of the Bonds satisfied the 10% test. **Schedule A to Exhibit 1** sets forth the first price at which each maturity of the Bonds that satisfied the 10% test was sold. For each maturity of the Bonds for which the 10% test is not met as of the date hereof (which shall be designated on **Schedule A to Exhibit 1** as subject to the hold-the-offering-price rule), the Issuer and the Organization will treat the initial offering price set forth in **Schedule A to Exhibit 1** as the issue price of that maturity under the hold-the-offering-price rule described below. For purposes of this Section, if the Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that the Bonds were offered to the public on or before the Date Hereof at the respective offering price or prices (the “initial offering prices”) or at the corresponding yield or yields set forth on **Schedule A to Exhibit 1** attached hereto except as otherwise set forth therein. **Schedule A to Exhibit 1** also sets forth, as of the Date Hereof, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer, Organization and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the Date Hereof as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any Maturity of the Bonds, the underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the Date Hereof and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the Date Hereof; or

(ii) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will (i) advise the Issuer, the Organization and Bond Counsel promptly after the close of the fifth (5th) business day after the Date Hereof whether the underwriters have sold 10% of a maturity of the Bonds subject to the hold-the-offering-price rule to the public at a price that is no higher than the initial offering price to the public, and (ii) confirm on the Preliminary Closing Date that no underwriter has offered or sold any maturities of the Bonds that is subject to the hold-the-offering-price rule at a price higher than the initial offering price to the public prior to the end of the hold period described above.

(d) The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Underwriter is party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement as applicable: (A) (i) to report the prices at which it sells to the public the unsold Bonds of that maturity allotted to it whether or not the Series 2022 Settlement Date has occurred until either all Bonds of each maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity provided that, the reporting obligation after the Series 2022 Settlement Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter; and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter and as set forth in the related pricing wires; (B) to promptly notify the Underwriter of any sales of Bonds that to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of Bonds to the public (each such term being used as defined below) and (C) to acknowledge that, unless otherwise advised by an underwriter, dealer or broker-dealer, the Underwriter shall assume that each order submitted by underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to

a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement: (A) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Series 2022 Settlement Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Series 2022 Settlement Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or dealer; and (B) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(iii) The Issuer and the Organization acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to its agreement to comply with the hold-the-offering-price rule if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event that a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer and Borrower further acknowledge that for purposes of the undertakings set forth in this Section 16, each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds, unless the underwriter knew or had reason to know of the failure to comply with the agreement, or if the dealer or broker-dealer is an affiliate of the underwriter.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section 16. Further, for purposes of this Section 16:

(i) “public” means any person other than an underwriter or a related party,

(ii) (aa) “Underwriter” has the meaning set forth in the first paragraph of this Forward Delivery Purchase Contract and (bb) underwriter means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

17. Notices. Any notice or other communication to be given to the Issuer under this Forward Delivery Purchase Contract may be given by mailing or delivering the same in writing to the Issuer at its address set forth in the Indenture; any notice or other communication to be given to the Organization under this Forward Delivery Purchase Contract may be given by mailing or delivering the same in writing to the Organization at its address set forth in the Loan Agreement and any notice or other communication to be given to the Underwriter under this Forward Delivery Purchase Contract may be given by mailing or delivering the same in writing to Herbert J. Sims & Co., Inc., 2400 Market Street, Suite 200, Philadelphia, Pennsylvania 19103, Attn: James P. Bodine.

18. Parties. This Forward Delivery Purchase Contract is made solely for the benefit of the Issuer, the Underwriter (including the successors or assigns of the Underwriter) and the Organization and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Issuer’s and Organization’s representations, warranties and agreements in this Forward Delivery Purchase Contract shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and delivery of and payment for the Bonds hereunder.

19. Underwriter Not a Fiduciary. Each of the Organization and the Issuer, acknowledge and agree that the primary role of the Underwriter is to purchase securities for resale to investors in an arm’s length commercial transaction among the Issuer, the Organization and the Underwriter, and the Underwriter has financial and other interests that differ from those of the Issuer and Organization. The

Underwriter is acting as a principal hereunder and not as an agent of or a fiduciary to any other party to this Forward Delivery Purchase Contract. The Underwriter is not acting and has not acted as a municipal advisor or financial advisor or agent or fiduciary to any party with respect to this Forward Delivery Purchase Contract. The Underwriter's engagement in the transactions described herein and in the Financing Documents, and all discussions and undertakings leading up thereto, is solely as an underwriter; such engagement shall not be, or shall not be construed to be, in any other capacity. Each of the Issuer and the Organization hereby acknowledge and agree that it is solely responsible for making its own judgments in connection with the transactions described herein and in the Financing Documents, regardless of whether the Underwriter has advised or is currently advising the Issuer or the Organization on any other matters, whether or not related to such transactions and each have consulted their own legal, financial and other advisors to the extent they deemed appropriate.

20. Governing Law. THIS FORWARD DELIVERY PURCHASE CONTRACT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF NEW YORK AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF NEW YORK

21. Entire Agreement. The Financing Documents constitute the entire agreement among the Issuer, the Organization and the Underwriter. There are no understandings, agreements, representations or warranties, express or implied, not specified herein or in such documents regarding the transaction contemplated hereby.

22. Counterparts. This Forward Delivery Purchase Contract may be executed in any number of counterparts, all of which taken together shall be one and the same instrument, and any parties hereto may execute this agreement by signing any such counterpart.

[Signatures on next page]

Very truly yours,

HERBERT J. SIMS & CO., INC.

as Underwriter

By: _____

Name: Aaron Rulnick

Title: Managing Principal

Accepted and Agreed to as of the Date Hereof

WESTCHESTER COUNTY

LOCAL DEVELOPMENT CORPORATION

By: _____

Authorized Officer

[Signature page to Forward Delivery Purchase Contract]

Accepted and Agreed to as of the Date Hereof

KENDAL ON HUDSON

By: _____

Name:

Title:

SCHEDULE A

\$_[_____]

WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION

REVENUE REFUNDING BONDS, SERIES 2022

(KENDAL ON HUDSON PROJECT) (FORWARD DELIVERY)

Item

Number

1. Date of this Forward Delivery Purchase Contract: [____ _], 2022

2. Preliminary Closing Date: [____ _], 2022

3. Series 2022 Settlement Date: [____ _], 2022

4. (a) Aggregate principal amount of the Bonds: \$_[_____]

- (b) Date of the Bonds: [____ _], 2023

- (c) Date of Maturities of the Bonds: January 1

- (d) Years of maturity, principal amounts, interest rates and initial public offering prices of the Bonds

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Public Offering Price</u>	<u>Yield</u>
-------------	-------------------------	----------------------	------------------------------	--------------

(e) Redemption Provisions of the Bonds

Optional Redemption. The Bonds maturing on or after [January 1, 2027], are subject to redemption by the Issuer, at the option of the Institution, on or after [January 1, 2027], in whole or in part at any time, at the Redemption Price (expressed as percentages of principal amount) set forth in the following table plus accrued interest to the Redemption Date:

	Redemption Dates	Redemption Prices
2027	January 1, 2027 through December 31,	103%
2028	January 1, 2028 through December 31,	102%
2029	January 1, 2029 through December 31,	101%
	January 1, 2030 and thereafter	100%

Special Redemption. The Bonds are subject to redemption in whole or in part at any time, without premium or penalty, at a Redemption Price equal to 100% of the principal amount of the Bonds to be prepaid plus interest accrued thereon to the Redemption Date, upon the occurrence of any of the following events:

- (i) insurance or condemnation proceeds of \$25,000 or more resulting from any damage, destruction, casualty loss or condemnation with respect to the Facility shall be on deposit in the Bond Fund pursuant to the Loan Agreement; or
- (ii) excess Bond Proceeds of \$25,000 or more shall be transferred to the Bond Fund pursuant to the Indenture.

Mandatory Sinking Fund Redemption. The Bonds maturing on [_____] 1, 20[___] are subject to mandatory redemption in part commencing on [_____] 1, 20[___] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Bonds are set forth in the following table

Year

Amount

* Maturity Year

The Bonds shall be redeemed in whole as soon as practicable after the occurrence of an Event of Taxability and the receipt by the Trustee of written notice from any Owner or the Institution of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date the Trustee is notified of an Event of Taxability pursuant to this subsection) at a Redemption Price equal to 103% of the principal amount thereof plus accrued interest thereon to the Redemption Date if such Event of Taxability results from any action or failure to take action by the Institution, and otherwise at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

5. Purchase Price of the Bonds: \$[] (par amount of \$[] plus original issue premium of \$[] less underwriter's discount of \$[]).

EXHIBIT 1

ISSUE PRICE CERTIFICATE

Westchester County Local Development Corporation
White Plains, New York

Nixon Peabody LLP
New York, New York

Re: \$ _____ Westchester County Local Development Corporation
Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward
Delivery)

Gentlemen and Ladies:

The undersigned (“HJS”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. *Initial Offering Price of the Bonds* [Alternative 1 – All Maturities Use General Rule: Sale of the Bonds. **As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.**] [Alternative 2 – Select Maturities Use General Rule: Sale of the General Rule Maturities. **As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.**]

2. *Initial Offering Price of the Hold-the-Offering-Price Maturities.*

(a) *[Alternative 1 – All Maturities Use Hold-the-Offering-Price Rule: The Hold-the-Offering-Price Maturities were offered to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 2 – Select Maturities Use Hold-the-Offering-Price Rule: The Hold-the-Offering-Price Maturities were offered to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.]*

(b) *[Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, HJS has agreed in writing that, (i) for each Maturity of the Bonds, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Purchase Contract, HJS agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter have offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]*

3. *Defined Terms.*

(a) *Corporation means Kendal on Hudson.*

(b) *General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”*

(c) *Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”*

(d) *Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.*

(e) *Issuer means the Westchester County Local Development Corporation.*

(f) *Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.*

(g) *Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a Related Party (as such terms are defined below) to the Underwriter.*

(h) *A purchaser of any of the Bonds is a Related Party to the Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).*

(i) *Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is __, 2022.*

(j) *Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).*

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents HJS' interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the Corporation with respect to certain of the representations set forth in the Tax Regulatory Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nixon Peabody LLP, Bond Counsel to the Issuer, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: __, 2022

HERBERT J. SIMS & CO., INC.

By: _____

Name:

Title:

Schedule B to Exhibit 1

Pricing Wire or Equivalent

EXHIBIT 2

FORMS OF SUPPLEMENTAL OPINIONS OF BOND COUNSEL

EXHIBIT 3

FORMS OF OPINION OF BORROWER'S COUNSEL

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY [], 2022

NEW ISSUE – Book-Entry Only

Rating: []
(See "RATING" herein)

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 and the Organization described herein, including the satisfaction of certain terms and conditions provided in the Forward Delivery Purchase Contract, as described under the heading "FORWARD DELIVERY OF THE SERIES 2022 BONDS", interest on the Series 2022 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 2022 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, based on existing law, for so long as interest on the Series 2022 Bonds is and remains excluded from gross income for federal tax purposes, such interest is exempt from person income taxes under the State of New York and any political subdivision thereof. See "TAX MATTERS" herein regarding certain other tax considerations.

[\$39,315,000]*
WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2022B
(KENDAL ON HUDSON PROJECT) (FORWARD DELIVERY)

Dated: Date of Delivery

Due: As shown on the inside cover

The Westchester County Local Development Corporation (the "Issuer") is issuing its \$[39,315,000*] Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery) (the "Series 2022 Bonds") under an Indenture of Trust (the "Indenture") dated as of [] 1, 2022, between the Issuer and UMB Bank, N.A., as trustee (the "Trustee"). The Series 2022 Bonds will be issued only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2022 Bonds. Purchases of the Series 2022 Bonds will be made in book-entry form, in dominations of \$5,000 or any integral multiple thereof. See "THE SERIES 2022 BONDS – Book-Entry Only System" herein.

Interest on the Series 2022 Bonds will be payable on July 1 and January 1 of each year, commencing on January 1, 20[], by check mailed (or in certain circumstances by wire transfer) to the registered owners thereof by the Trustee. So long as DTC or its nominee, Cede & Co., is the registered owner of the Series 2022 Bonds, payments of the principal or redemption price of, and interest on, the Series 2022 Bonds will be made to DTC.

The Series 2022 Bonds will be payable solely from and secured by certain moneys held under the Indenture or received thereunder by an assignment and pledge by the Issuer of payments and other revenues to be received by the Issuer pursuant to a Loan Agreement, dated as of [] 1, 2022 (the "Loan Agreement"), between the Issuer and Kendal on Hudson (the "Organization") and the Series 2022 Master Note (as defined herein), issued by the Organization under the Master Trust Indenture, dated as of [] 1, 2022, as supplemented (the "Master Indenture"), between the Organization and UMB Bank, N.A., as master trustee. Performance of the Obligated Group's obligations under all Obligations (as each term is defined in the Master Indenture), including, without limitation, the Series 2022 Master Note is secured by a pledge of the Pledged Assets (as defined in the Master Indenture) of the Obligated Group and by a mortgage of certain real property of the Obligated Group. As of the date of this Official Statement, the Organization is the only member of the Obligated Group.

There are risks associated with an investment in the Series 2022 Bonds, some of which are outlined under the "CERTAIN BONDHOLDERS' RISKS" herein.

The Series 2022 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described herein.

THE SERIES 2022 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE FUNDS PLEDGED FOR THEIR PAYMENT PURSUANT TO THE INDENTURE AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW YORK, THE COUNTY OF WESTCHESTER OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2022 BONDS. THE SERIES 2022 BONDS DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE STATE OF NEW

* Preliminary, subject to change.

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY [], 2022

YORK, THE COUNTY OF WESTCHESTER OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2022 BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2022 BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE COUNTY OF WESTCHESTER OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2022 BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2022 BONDS OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

The Series 2022 Bonds are offered when, as and if issued by the Issuer and received by the Underwriter subject to receipt of the approving legal opinion of Nixon Peabody LLP, New York, New York, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its counsel, BurgherGray LLP, New York, New York; for the Organization by its counsel, Hawkins Delafield & Wood LLP, New York, New York; and for the Underwriter by its counsel, Harris Beach PLLC, Rochester, New York. Hamlin Capital Advisors, LLC, Tampa, Florida, is serving as Financial Advisor to the Organization. It is expected that the Series 2022 Bonds in definitive form will be available for delivery through the facilities of DTC in New York, New York on or about October [], 2022. **Prospective purchasers of the Series 2022 Bonds should carefully review the information under “FORWARD DELIVERY OF THE SERIES 2022 BONDS” before making an investment decision with respect to the Series 2022 Bonds.**

[INSERT HJSims LOGO]

Dated: February __, 2022

\$[39,315,000]*
WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2022B
(KENDAL ON HUDSON PROJECT) (FORWARD DELIVERY)

MATURITY SCHEDULE

Maturity ([____])	Principal Amount	Interest Rate	Yield	Price	CUSIP† (____)
----------------------	---------------------	------------------	-------	-------	------------------

\$ _____ * ____ % Term Bonds due July 1, 20 __, priced to yield __ %, CUSIP _____
 \$ _____ * ____ % Term Bonds due July 1, 20 __, priced to yield __ %, CUSIP _____
 \$ _____ * ____ % Term Bonds due July 1, 20 __, priced to yield __ %, CUSIP _____

* Preliminary, subject to change.

† CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Organization or the Underwriter and are included solely for the convenience of the holders of the Series 2022 Bonds. None of the Issuer, the Organization or the Underwriter are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2022 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2022 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2022 Bonds.

[INSERT PHOTOS OF THE COMMUNITY]

PRELIMINARY NOTICES

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2022 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, sales representative or other person has been authorized by the Issuer, the Organization or the Underwriter to give any information or to make any representations other than those contained in this Official Statement, 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 Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2022 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information contained in this Official Statement has been furnished by the Organization, the Issuer, DTC and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement 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 information set forth herein relating to the Issuer under the headings "THE ISSUER" and "LITIGATION - The Issuer" insofar as it relates to the Issuer has been obtained from the Issuer. All other information herein has been obtained by the Underwriter from the Organization and other sources deemed by the Underwriter to be reliable, has not been reviewed or approved by the Issuer, and is not to be construed as a representation by the Issuer or the Underwriter. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer or the Organization since the date hereof.

THE SERIES 2022 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND NEITHER THE INDENTURE NOR THE MASTER TRUST INDENTURE HAS BEEN QUALIFIED UNDER THE INDENTURE OF TRUST ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2022 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH THE SERIES 2022 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 2022 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "anticipate," "believe," "budget," "estimate," "expect,"

"intend," "plan," "forecast," or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in APPENDIX A - "INFORMATION CONCERNING THE ORGANIZATION."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES 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. THE ORGANIZATION DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT ("ORIGINAL BOUND FORMAT"), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITE OR WWW.EMMA.MSRB.ORG.

[Remainder of Page Intentionally Left Blank]

TABLE OF CONTENTS

INTRODUCTION.....	1
THE ISSUER.....	3
THE ORGANIZATION.....	4
PLAN OF FINANCE.....	4
ESTIMATED SOURCES AND USES OF FUNDS.....	5
ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS.....	6
THE SERIES 2022 BONDS.....	7
REDEMPTION OF THE SERIES 2022 BONDS.....	7
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS.....	11
VERIFICATION OF MATHEMATICAL COMPUTATION.....	17
FORWARD DELIVERY OF THE SERIES 2022 BONDS.....	18
BOOK-ENTRY ONLY SYSTEM.....	22
BONDHOLDERS' RISKS.....	24
State Regulation of Fee-For-Service Continuing Care Retirement Communities.....	24
Certificate of Issuer.....	24
Required Reserves and Certain Financial Covenants.....	25
Appointment of Caretaker or Receiver.....	25
General.....	25
Limited Obligations.....	26
Impact of COVID-19.....	26
Failure to Maintain Turnover or Occupancy.....	28
Sale of Homes by Prospective Independent Living Facility Residents.....	28
Unique Nature of the Obligated Group Facilities.....	29
Additional Debt.....	29
Bankruptcy.....	29
Competition.....	30
Nature of the Income of Residents.....	30
Fluctuation in Market Value of Investments.....	31
Certain Matters Relating to Enforceability of the Master Indenture.....	31
Third Party Reimbursement.....	32
Health Care Reform.....	35
Federal and State Health Care Program Reimbursement Cuts or Delays.....	36
Possible Changes in Tax Status.....	36
Factors Affecting Real Estate Taxes.....	36
Lack of Marketability for the Series 2022 Bonds.....	36
Possible Environmental Risks.....	37
Possible Limitations on Mortgage and the Lien.....	38
Prepayment Risks.....	38
Nature of the Income of the Elderly.....	38
Increases in Nursing Costs Along with Number of Residents Requiring Nursing Care.....	38
Potential Refund of Entrance Fees.....	39
Other Possible Risk Factors.....	39
FINANCIAL REPORTING.....	40
CONTINUING DISCLOSURE.....	41
LITIGATION.....	42
LEGAL MATTERS.....	42
TAX MATTERS.....	43
INDEPENDENT AUDITORS.....	45
RATING.....	45
FINANCIAL ADVISOR.....	45
UNDERWRITING.....	45
MISCELLANEOUS.....	46

APPENDIX A	-	INFORMATION CONCERNING THE ORGANIZATION
APPENDIX B	-	AUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION FOR FISCAL YEARS ENDED 2019, 2020 AND 2021.
APPENDIX C	-	SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE
APPENDIX D	-	SUBSTANTIALLY FINAL FORM OF THE INDENTURE
APPENDIX E	-	SUBSTANTIALLY FINAL FORM OF THE LOAN AGREEMENT
APPENDIX F	-	FORM OF APPROVING OPINION OF BOND COUNSEL DATED THE SERIES 2022 SETTLEMENT DATE
APPENDIX G	-	SUBSTANTIALLY FINAL FORM OF CONTINUING DISCLOSURE AGREEMENT
APPENDIX H	-	SUBSTANTIALLY FINAL FORM OF DELAYED DELIVERY AGREEMENT

The Table of Contents is for convenience of reference only and does not list all of the subjects in this Official Statement. In all instances, reference should be made to the complete Official Statement to determine the subjects discussed in it.

The order and placement of material in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

OFFICIAL STATEMENT

[\$39,315,000]*
WESTCHESTER COUNTY LOCAL DEVELOPMENT CORPORATION
REVENUE REFUNDING BONDS, SERIES 2022B
(KENDAL ON HUDSON PROJECT) (FORWARD DELIVERY)

INTRODUCTION

Purpose of this Official Statement

The purpose of this Official Statement, including the cover page and the appendices, is to set forth certain information in connection with the issuance and sale of the \$[39,315,000]* Westchester County Local Development Corporation Revenue Refunding Bonds, Series 2022B (Kendal on Hudson Project) (Forward Delivery) (the "Series 2022 Bonds") of the Westchester County Local Development Corporation (the "Issuer"), a not-for-profit local development corporation existing under the laws of the State of New York (the "State"). The Series 2022 Bonds are being issued pursuant to Section 1411 of the New York Not-for-Profit Corporation Law, as amended (the "Act"), a resolution adopted by the Issuer on February 16, 2022 in conformity with the provisions, restrictions and limitations thereof, and the Indenture of Trust dated as of [October] 1, 2022 (the "Indenture"), between the Issuer and UMB Bank, N.A as trustee (the "Trustee"). Certain capitalized terms used in this Official Statement and not otherwise defined herein are defined in the appendices hereto. The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to each document.

Purpose of the Series 2022 Bonds

The proceeds of the Series 2022 Bonds will be loaned to Kendal on Hudson (the "Organization") pursuant to a Loan Agreement dated as of [_____] 1, 2022 (the "Loan Agreement"), between the Issuer and the Organization and will be used, together with other available moneys described herein, to: (A) refinance the Revenue Refunding Bonds (Kendal on Hudson Project – Series 2013) (the "Series 2013 Bonds") issued by the Issuer, in the original aggregate principal amount of \$64,330,000, approximately \$[45,000,000] of which are currently outstanding; and (B) pay all or a portion of the costs incidental to the issuance of the Series 2022 Bonds, including issuance costs of the Series 2022 Bonds, capitalized interest and any reserve funds as may be necessary to secure the Series 2022 Bonds. See "THE ORGANIZATION", "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Risk Factors. Certain risks are inherent in the successful operation the Community on a basis such that sufficient cash will be available to pay interest on and to retire indebtedness. See "BONDHOLDERS' RISKS" below for a discussion of certain of these risks.

Forward Delivery of the Series 2022 Bonds

The Organization, the Underwriter and the Issuer have agreed, subject to the terms and conditions of the Forward Delivery Purchase Contract among the Issuer, the Organization and the Underwriter (the

* Preliminary, subject to change.

“Forward Delivery Purchase Contract”), to deliver on or about October [], 2022 (the “Series 2022 Settlement Date”), or such other date as may be mutually agreed upon by the Issuer, the Organization and the Underwriter, the Series 2022 Bonds to the Underwriter and to deliver or cause to be delivered to the Underwriter the other documents, opinions, certificates and instruments required by the Forward Delivery Purchase Contract to be delivered as part of the settlement as more fully discussed herein. Subject to the terms and conditions of the Forward Delivery Purchase Contract, the Underwriter has agreed to accept such delivery and pay the purchase price for the Series 2022 Bonds. The purchase of the Series 2022 Bonds by the Underwriter and the delivery thereof is also subject to satisfaction of certain conditions on or about March [], 2022 (the “Preliminary Closing Date”). In connection with the Underwriter’s obligation to purchase the Series 2022 Bonds pursuant to the Forward Delivery Purchase Contract, each purchaser of the Series 2022 Bonds (each, a “Purchaser” and collectively, the “Purchasers”) will be required to execute and deliver a Delayed Delivery Agreement for the Series 2022 Bonds (the “Delayed Delivery Agreement for the Series 2022 Bonds”) in substantially the form attached hereto as “APPENDIX H – SUBSTANTIALLY FINAL FORM OF DELAYED DELIVERY AGREEMENT” and as further described herein. See “VERIFICATION OF MATHEMATICAL COMPUTATION” and “FORWARD DELIVERY OF THE SERIES 2022 BONDS” herein.

Security for the Series 2022 Bonds

Pursuant to the Loan Agreement, the Issuer will lend the proceeds of the Series 2022 Bonds to the Organization for the purpose of undertaking the Project (hereinafter described) and the Organization will agree to make payments at such times and in such amounts as to provide for payment of the principal or redemption price of, and interest on the Series 2022 Bonds.

As security for its obligations under the Loan Agreement, the Organization will issue its Obligation No. 3, dated the date of issuance of the Series 2022 Bonds (the "Series 2022 Master Note") pursuant to the Master Indenture (as hereinafter defined).

The Series 2022 Master Note constitutes an "Obligation" issued under and secured pursuant to a Master Trust Indenture, dated as of [March] 1, 2022, including as amended and supplemented by a Supplemental Indenture for Obligation No. 3 dated as of [] 1, 2022 (collectively, as the same has been and may be further modified, amended or supplemented from time to time, the "Master Indenture") between the Organization and any other entity incurring joint and several liability in accordance with the terms thereof (the “Obligated Group” and each a “Member of the Obligated Group”) and UMB Bank, N.A., a national banking association, as master trustee (the "Master Trustee"). The Obligated Group’s obligations under the Series 2022 Master Note will be secured by a pledge of the Pledged Assets of the Obligated Group and by a first lien leasehold mortgage granted to the Master Trustee with respect to certain real property of the Obligated Group on a parity with all other Obligations issued and to be issued under the Master Indenture. The pledge of Pledged Assets and the Mortgage are subject to Permitted Liens. Subject to compliance with the provisions of the Master Indenture, the Obligated Group may sell, lease or otherwise dispose of their properties. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS — The Master Indenture and the Obligated Group" herein and "SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE" in Appendix C hereto for a further description of the Master Indenture. As of the date of this Official Statement, the Organization is the only Member of the Obligated Group.

Upon issuance of the Series 2022 Bonds, the only outstanding Obligations issued pursuant to the Master Indenture will be Obligation No. 3, which secures the Series 2022 Bonds, Obligation No. 1 dated as of [March] [], 2022 (the "Series 2022 Master Note (Bank Debt)"), which secures the Issuer’s [\$] aggregate principal amount Revenue Refunding Bonds, Series 2022A (Kendal on Hudson Project) (the "2022 Bank Debt") and Obligation No. 2, dated as of [March] [], 2022 ("Master

Note (Revolver)"), which secures the outstanding [\$ _____] revolving line of credit issued by Bank United, N.A. in favor of the Organization (the "Revolving Line of Credit"). The Series 2022 Master Note, the Series 2022 Master Note (Bank Debt) and the Master Note (Revolver) are secured on a parity basis under the terms and conditions provided in the Master Indenture.

THE ISSUER

Purpose and Powers

The Issuer, which was created in 2012, is a not-for-profit local development corporation having an office for the transaction of business located at 148 Martine Avenue, White Plains, New York 10601. The Issuer was formed pursuant to the Act for the purpose of providing financial and other assistance for capital projects undertaken by not-for-profit corporations, relieving and reducing unemployment, promoting and providing for maximum employment and bettering and maintaining job opportunities in the County of Westchester (the "County") and lessening the burdens of government on the County.

Pursuant to its Charter, its By-laws and under the Act, the Issuer has the power to (i) provide financial and other assistance for capital projects undertaken by not-for-profit corporations including the issuance of bonds, notes and other obligations; (ii) refinance bonds originally issued by other issuers for not-for-profit corporations, (iii) provide financial assistance (subject to applicable law) in the form of exemptions from real property taxes, mortgage recording taxes and/or sales and use taxes; and (iv) take any and all actions that may be necessary or advisable in furtherance of the foregoing, including the power to acquire, construct, renovate, equip, lease or sell such projects and collect lease and installment sale payments.

The Issuer may from time to time issue obligations to finance projects for other not-for-profit entities with respect to facilities located in the County. Any such obligations will be issued pursuant to instruments separate and apart from the Indenture, and will be secured by and payable from assets separate and apart from those securing, and constituting the source of payment for, the Series 2022 Bonds.

Resolution; Approval

The Issuer's Board adopted a Resolution approving the issuance of the Series 2022 Bonds on February 16, 2022.

Limited Recourse on Series 2022 Bonds and the Issuer

THE SERIES 2022 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PAYMENTS MADE UNDER THE LOAN AGREEMENT AND FROM THE MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE INDENTURE. NEITHER THE ISSUER NOR ITS MEMBERS OR OFFICERS ARE PERSONALLY LIABLE WITH RESPECT TO THE SERIES 2022 BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBERS, DIRECTORS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE SERIES 2022 BONDS SHALL NOT BE A DEBT OF THE STATE OR THE COUNTY, AND NEITHER THE STATE NOR THE COUNTY SHALL BE LIABLE THEREON. THE ISSUER HAS NO TAXING POWER.

Except for the information contained herein under the caption "THE ISSUER" and "LITIGATION" insofar as it relates to the Issuer, the Issuer has not provided any of the information contained in this Official Statement. The Issuer is not responsible for and does not certify as to the accuracy or sufficiency of the disclosures made herein or any other information provided by the Organization, the Underwriter or any other person.

THE ORGANIZATION

The Organization is a New York not-for-profit corporation and has received a determination letter from the Internal Revenue Service that it is an organization exempt from federal income tax under Section 501(c)(3) (a "qualified 501(c)(3) organization") of the Internal Revenue Code of 1986, as amended (the "Code"). The Organization is the sole Member of the Obligated Group.

The Organization owns and operates the continuing care retirement community, which is located in the Village of Sleepy Hollow, Westchester County, New York and consists of 222 independent living units, 24 enriched housing units and 42 skilled nursing facility beds (the "Community" or "CCRC"). Original construction of the Community was financed by the Series 2003 Bonds, a portion of which such Series 2003 Bonds were refinanced with the proceeds of the Series 2007 Bonds and Series 2013 Bonds.

For a more detailed description of the Organization and its operations, please see APPENDIX A - INFORMATION CONCERNING THE ORGANIZATION.

PLAN OF FINANCE

Refinancing of the Series 2013 Bonds

A portion of the proceeds of the Series 2022 Bonds will be applied to refinance the Series 2013 Bonds. The Series 2013 Bonds are subject to optional redemption prior to maturity on or after January 1, 2023 and will be defeased on the Series 2022 Settlement Date, at a redemption price of 100% of the principal amount plus accrued interest to the Series 2022 Settlement Date. That portion of the Series 2022 Bonds dedicated to redeeming the Series 2013 Bonds will be deposited into a refunding trust fund for the Series 2013 Bonds (the "Series 2013 Refunding Trust Fund") established under a letter of instructions by and among the Organization, the Issuer and U.S. Bank National Association, as refunding trustee (the "Refunding Trustee"). The Organization shall provide the Refunding Trustee with irrevocable instructions to redeem the Series 2013 Bonds on the Series 2022 Settlement Date. That deposit shall be in an amount equal to the outstanding principal plus the amount of interest that will accrue to the Series 2022 Settlement Date (the "Series 2013 Settlement Price"). The deposit shall be held by the Refunding Trustee solely for the payment of the Series 2013 Settlement Price on the Series 2022 Settlement Date.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2022 Bonds, net of investment earnings, are as follows:

SOURCES OF FUNDS

Principal Amount	\$
Original Issue Premium	_____
Debt Service Reserve Fund - Series 2013 Bonds	_____

Total Sources of Funds	= \$

USES OF FUNDS

Deposit to Refunding Escrow Agreement - Series 2013 Bonds	\$
Costs of Issuance ⁽¹⁾	_____

Total Uses of Funds	= \$

¹ Includes certain legal fees, Underwriter's Discount, Issuer's fee, printing costs and other costs associated with the issuance of the Series 2022 Bonds.

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, for each annual period ending [____], the amounts required to be made available by the Organization in such fiscal year for the payment of principal of, sinking fund installments and interest on the Series 2022 Bonds and the total debt service in each year.

Year Ending [____]	Principal (Series 2022 Bonds)	Interest (Series 2022 Bonds)	Bank Debt	Total Debt Service
2023	\$			
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
	\$	\$	\$	\$

Totals may not add due to rounding.

[Remainder of Page Intentionally Left Blank]

THE SERIES 2022 BONDS

The Series 2022 Bonds will be issued as fully registered bonds in denominations of \$5,000 each or any integral multiple thereof. See APPENDIX D - "SUBSTANTIALLY FINAL FORM OF THE INDENTURE." The Series 2022 Bonds shall initially be dated and bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) from the date of their issuance, expected to be on the Series 2022 Settlement Date. The delayed delivery of the Series 2022 Bonds is subject to certain risks and conditions precedent. Prospective purchasers of the Series 2022 Bonds should carefully review the information under "FORWARD DELIVERY OF THE SERIES 2022 BONDS" herein.

Interest on the Series 2022 Bonds shall be payable on January 1, 20[] and on each July 1 and January 1 thereafter at the rates set forth on the inside cover page hereof. The Series 2022 Bonds shall mature in the amounts and on the dates set forth on the inside cover page hereof. The Series 2022 Bonds shall be subject to redemption prior to maturity as described below.

The Series 2022 Bonds shall be payable as to principal and Redemption Price, if any, and interest thereon in lawful money of the United States of America. Payment of the interest on the Series 2022 Bonds shall be made to the person appearing on the registration books of the Issuer provided for herein as the Bondowner thereof on the Record Date, by wire or by check mailed by the Trustee to the Bondowner at the address as shown on such registration books of the Issuer, kept by the Trustee. The principal or Redemption Price of the Series 2022 Bonds shall be paid to the Bondowner upon presentation and surrender of the Series 2022 Bonds at the designated corporate trust office of the Trustee or in the manner provided in the Indenture.

The regular record date for interest due on the Series 2022 Bonds on any [] 1 shall be the immediately preceding [] 15 and the record date for interest due on any [] 1 shall be the immediately preceding [] 15 (in each case whether or not such date is a Business Day).

REDEMPTION OF THE SERIES 2022 BONDS

Optional Redemption of the Series 2022 Bonds

The Series 2022 Bonds maturing on or after January 1, 20[27], are subject to redemption by the Issuer, at the option of the Organization, on or after January 1, 20[27], in whole or in part at any time, at a price of par, plus accrued interest to the Redemption Date.

The Organization may direct such prepayment only if it shall prepay an amount under the Loan Agreement equal to the amount of the prepayment price described above.

Purchase In Lieu of Optional Redemption

The Organization shall have the option to cause any Series 2022 Bonds to be purchased by the Organization, or its designee, in lieu of optional redemption. Such option may be exercised by delivery to the Trustee of a written notice of the Organization specifying that the Series 2022 Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to the Indenture, such notice shall be given at least three (3) Business Days prior to the first date by which notice of redemption may be given for the applicable redemption date. Upon delivery of such notice, the Series 2022 Bonds shall not be redeemed but shall be purchased at a price equal to the redemption price specified above, and if so purchased, the Series 2022 Bonds shall continue to be Outstanding under the Indenture for all purposes and shall continue to be subject to optional redemption as provided herein. Such purchase shall be conditioned upon the delivery of an opinion of Bond Counsel that such purchase will not adversely affect the exclusion from gross income of interest on the Series 2022 Bonds for federal tax purposes.

The Series 2022 Bonds shall be redeemed in whole as soon as practicable after the occurrence of an Event of Taxability and the receipt by the Trustee of written notice from any Owner or the Organization of the occurrence of an Event of Taxability (but in no event later than one hundred twenty (120) days following the date the Trustee is notified of an Event of Taxability pursuant to this subsection) at a Redemption Price equal to 103% of the principal amount thereof plus accrued interest thereon to the Redemption Date if such Event of Taxability results from any action or failure to take action by the Organization, and otherwise at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest thereon to the Redemption Date.

Mandatory Sinking Fund Redemption

Mandatory Sinking Fund Redemption of the Series 2022 Bonds.

The Series 2022 Bonds maturing on January 1, 20[] are subject to mandatory redemption in part commencing on January 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022 Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022 Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
	\$

*
TOTAL

* Final Maturity.

The Series 2022 Bonds maturing on January 1, 20[] are subject to mandatory redemption in part commencing on January 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022 Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022 Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
	\$

*
TOTAL

* Final Maturity.

The Series 2022 Bonds maturing on January 1, 20[] are subject to mandatory redemption in part commencing on January 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022 Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022 Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
--------------------------------------	---------------

*

TOTAL

* Final Maturity.

The Series 2022 Bonds maturing on January 1, 20[] are subject to mandatory redemption in part commencing on January 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022 Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022 Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
--------------------------------------	---------------

*

TOTAL

* Final Maturity.

The Series 2022 Bonds maturing on January 1, 20[] are subject to mandatory redemption in part commencing on January 1, 20[] by lot by operation of Sinking Fund Payments at a Redemption Price equal to the principal amount of the Series 2022 Bonds to be redeemed plus accrued interest to the Redemption Date. The amounts and due dates of the Sinking Fund Payments for the Series 2022 Bonds are set forth in the following table:

<u>Sinking Fund Payment Date</u>	<u>Amount</u>
--------------------------------------	---------------

*

TOTAL

* Final Maturity.

Special Redemption

The Series 2022 Bonds are subject to redemption in whole or in part at any time, without premium or penalty, at a Redemption Price equal to 100% of the principal amount of the Series 2022 Bonds to be prepaid plus interest accrued thereon to the Redemption Date, upon the occurrence of any of the following events:

- (i) insurance or condemnation proceeds of \$25,000 or more resulting from any damage, destruction, casualty loss or condemnation with respect to the Community shall be on deposit in the Bond Fund pursuant to the Loan Agreement; or
- (ii) excess Bond Proceeds of \$25,000 or more shall be transferred to the Bond Fund pursuant to the Indenture.

Notice of Redemption; Effect; Selection of Bonds for Redemption

The Trustee shall call Series 2022 Bonds for optional or special redemption upon receipt of notice from the Issuer or the Organization directing such redemption, which notice shall be sent to the Trustee at least forty-five (45) days prior to the Redemption Date specified in such notice and shall specify (i) the principal amount of Series 2022 Bonds and their maturities so to be called for redemption, (ii) the applicable Redemption Price, and (iii) the provision or provisions of the Indenture pursuant to which such Series 2022 Bonds are to be called for redemption. The Trustee shall call the Series 2022 Bonds for mandatory sinking fund redemption for the applicable Sinking Fund Payment dates without need for direction from the Organization or the Issuer.

When the Series 2022 Bonds are to be redeemed pursuant to the Indenture, the Trustee shall give notice of the redemption of the Series 2022 Bonds in the name of the Issuer stating: (i) the Series 2022 Bonds to be redeemed; (ii) the Redemption Date; (iii) that such Series 2022 Bonds will be redeemed at the Office of the Trustee; (iv) that on the Redemption Date there shall become due and payable upon each Series 2022 Bond to be redeemed the Redemption Price thereof, together with interest accrued to the Redemption Date; and (v) that from and after the Redemption Date interest thereon shall cease to accrue. Any notice of redemption may be conditioned on sufficient funds being on deposit with the Trustee on the Redemption Date to effect such redemption and if sufficient funds are not on deposit, the redemption

shall be rescinded and be of no further force and effect. The required notice shall be given by mail at least twenty (20) days and not more than sixty (60) days prior to said redemption to the Owner of each Series 2022 Bond to be redeemed at the address shown on the registration books; but failure to give such notice by mail, or any defect therein, shall not affect the validity of any proceeding for the redemption of the Series 2022 Bonds.

In the event that redemption of the Series 2022 Bonds is made in an amount less than the amount of all Series 2022 Bonds having the same maturity, all Series 2022 Bonds having the same maturity shall be redeemed by lot. In the event of the redemption of less than all of the Series 2022 Bonds stated to mature on different dates, the principal amount of such Series 2022 Bonds to be redeemed shall be selected by the Organization in writing to the Trustee or, if no such selection is made, shall be applied in inverse order of maturity of the Outstanding Series 2022 Bonds to be redeemed and by lot within a maturity.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS

Limited Obligations

The Series 2022 Bonds will be issued under and secured by the Indenture. The Indenture provides that the Series 2022 Bonds will be special, limited obligations of the Issuer, payable solely from the sources identified therein, which include: (i) payments required to be made by the Organization under the Loan Agreement (other than certain fees and indemnification payments required to be paid to the Issuer and amounts required to be rebated to the federal government); (ii) payments made by the Obligated Group under the Series 2022 Master Note; and (iii) certain moneys and securities held by the Trustee under the Indenture.

THE SERIES 2022 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE FUNDS PLEDGED FOR THEIR PAYMENT PURSUANT TO THE INDENTURE AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW YORK, THE COUNTY OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2022 BONDS. THE SERIES 2022 BONDS DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE STATE OF NEW YORK, THE COUNTY OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2022 BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2022 BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE COUNTY OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2022 BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE SERIES 2022 BONDS OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

The Indenture

The Indenture provides, among other things, that: (i) the Indenture shall constitute a contract among the Issuer, the Trustee and the Owners from time to time of the Series 2022 Bonds; (ii) the pledge made in the Indenture and the covenants set forth therein to be performed by the Issuer shall be for the equal and ratable benefit, security and protection of all Owners of the Series 2022 Bonds without privilege, priority or distinction as to the lien or otherwise of any of the Series 2022 Bonds over any other

of the Series 2022 Bonds; (iii) the Issuer pledges and assigns to the Trustee the Trust Estate, the Series 2022 Master Note and all moneys and securities from time to time held by the Trustee and the Issuer under the Indenture (other than the Rebate Fund) and the income and receipts earned thereon subject to the terms and provisions of the Indenture; and (iv) the Series 2022 Bonds shall be special obligations of the Issuer payable solely from and secured by [a pledge of the Pledged Assets and] certain moneys and funds as provided by the Indenture.

The Loan Agreement

Under the Loan Agreement, the Organization will be obligated to make loan payments in amounts necessary to provide for the payment as and when due of the principal of, premium, if any, and interest on, the Series 2022 Bonds and to provide for certain other payments required by the Indenture. All of the right, title and interest of the Issuer in and to the Loan Agreement, except the Issuer's rights with respect to indemnification and payment of expenses and amounts required to be rebated to the federal government, are assigned to the Trustee.

No Debt Service Reserve Fund

No debt service reserve fund has been established under the Indenture or the Master Indenture, therefore, there is no debt service reserve fund securing the Series 2022 Bonds.

The Master Indenture and the Obligated Group

The Series 2022 Master Note constitutes an "Obligation" issued under the Master Indenture. The Obligated Group's obligations under the Series 2022 Master Note are the joint and several obligations of each Member of the Obligated Group, secured by a pledge of the Pledged Assets of the Obligated Group and a mortgage of substantially all real estate belonging to the Organization. Currently, the Organization is the sole Member of the Obligated Group.

Other parties may from time to time become Members of the Obligated Group and parties may withdraw from the Obligated Group under certain conditions contained in the Master Indenture. All Members of the Obligated Group are and will be jointly and severally liable for the payment of the Series 2022 Master Note. See "SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE" in APPENDIX C hereto.

Security for Series 2022 Master Note

All Obligations issued under the Master Indenture, including the Series 2022 Master Note, the Series 2022 Master Note (Bank Debt) and the Master Note (Revolver), are secured on a parity basis by a security interest in the Pledged Assets of the Members of the Obligated Group, which does not include receipts with respect to the Excluded Property, and by a first mortgage lien on certain properties owned by Members of the Obligated Group other than the Excluded Property.

Upon issuance of the Series 2022 Bonds, the only outstanding Obligations issued pursuant to the Master Indenture will be Obligation No. 3, which secures the Series 2022 Bonds, Obligation No. 1, which secures the 2022 Bank Debt and Obligation No. 2, which secures the Revolving Line of Credit. The Series 2022 Master Note, the Series 2022 Master Note (Bank Debt) and the Master Note (Revolver) are secured on a parity basis under the terms and conditions provided in the Master Indenture.

Pledged Assets

Under the Master Indenture, each Member of the Obligated Group will grant to the Master Trustee a security interest in the Pledged Assets. The pledge of the Pledged Assets of the Obligated Group is more particularly described in APPENDIX C - "SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE."

The enforcement of the pledge of the Pledged Assets may be subject to limitations imposed by the Bankruptcy Code and to the exercise of discretion by a court of equity and to other significant conditions and limitations, including restrictions upon assignment of accounts receivable and the proceeds thereof under the Medicare program. See "BONDHOLDERS' RISKS - Bankruptcy." In addition, the obligation of one Member of the Obligated Group to make payments with respect to obligations of another Member of the Obligated Group may be declared void, or such payments may be otherwise prohibited, in certain circumstances. See "BONDHOLDERS' RISKS - Bankruptcy."

The priority or perfection of any security interest granted by the Organization may be subject to or limited by, among other things: (i) statutory liens; (ii) rights arising in favor of the United States of America or any agency thereof, (iii) present or future prohibitions against assignment or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (iv) federal bankruptcy laws as affecting assignments of revenues earned after any effectual Organization of bankruptcy proceedings by or against the Organization; (v) federal bankruptcy laws which affect the enforceability of the Master Indenture or the security interest in the Pledged Assets; (vi) rights of third parties in property converted to cash and not in the possession of the Master Trustee; (vii) state and federal laws affecting the perfection and priority of security interests in proceeds of collateral and in collateral consisting of cash and cash equivalents; and (viii) the requirement that appropriate financing or continuation statements be filed in accordance with the New York Uniform Commercial Code from time to time in effect.

Mortgage

Pursuant to the Mortgage, the Organization will grant to the Issuer (a) a first mortgage lien on the Organization's leasehold interest in the Mortgaged Property; and (b) to the extent any portion of the Mortgaged Property is or may be treated as collateral under the Uniform Commercial Code, a first security interest in the Mortgaged Property and in the proceeds thereof, including without limitation all proceeds of insurance, eminent domain or sale. The Issuer will assign the Mortgage to the Master Trustee as security for all Obligations issued under the Master Indenture. The Mortgage requires the Organization to maintain and insure the Mortgaged Property, to pay taxes and other impositions assessed with respect to the Mortgaged Property, and to pay the indebtedness secured by the Mortgage. Upon the occurrence of an Event of Default under the Mortgage, the Master Trustee has the right to enter the Mortgaged Property to ensure compliance with the terms of the Mortgage and has the right to apply for an appointment of a receiver of the rents, issues and profits of the Mortgaged Property. The Organization will deliver a title insurance policy insuring the Mortgage to the Master Trustee.

Rate Covenant

The Master Indenture provides that:

(a) Each Member shall set rates and collect charges for its Facilities, services and products so that the Long-Term Debt Service Coverage Ratio, calculated as of the end of each Fiscal Year, will not be less than 1.20; provided, however, that in any case where Long-Term Indebtedness has been incurred to acquire or construct capital improvements, the Long-Term Debt Service Requirement with respect thereto

shall not be taken into account in making the foregoing calculation until the earlier to occur of (i) the first full Fiscal Year commencing four years after the beginning of construction of such capital improvements or (ii) the first full Fiscal Year commencing after substantially all of such capital improvements are placed in service; except that for purposes of this subsection (a) for capital improvements consisting, in whole or in part, of independent or assisted living units or health care beds, the Long-Term Debt Service Requirement for such Long-Term Indebtedness shall not be taken into account until the first full Fiscal Year following Stable Occupancy. The Obligated Group shall notify the Master Trustee when Stable Occupancy has been achieved.

(b) If the Long-Term Debt Service Coverage Ratio, calculated as of the end of any Fiscal Year, is less than 1.20 but not less than 1.00 (calculated as set forth in subsection (a) immediately above) and the Obligated Group has at least 225 Days' Cash on Hand as of the last day of such Fiscal Year, then no action is required and the Obligated Group will be deemed to be in compliance with the Long-Term Debt Service Coverage Ratio; provided, however, that if the Long-Term Debt Service Coverage Ratio, calculated as of the end of any Fiscal Year, is less than 1.20 but not less than 1.00 (calculated as set forth in subsection (a) immediately above) for two consecutive years, the Obligated Group shall retain (unless the Obligated Group is not obligated to retain) a Consultant within 30 days following the calculation at the end of such second consecutive year to make recommendations for the rates, fees and charges of the Members as well as for the Obligated Group's methods of operation and other factors affecting its financial condition to increase such Long-Term Debt Service Coverage Ratio to at least 1.20 for the following Fiscal Year

(c) If the Long-Term Debt Service Coverage Ratio, calculated as of the end of any Fiscal Year, is less than 1.20 but not less than 1.00 (calculated as set forth in subsection (a) above) but the Obligated Group has less than 225 Days' Cash on Hand as of the last day of such Fiscal Year, the Obligated Group shall retain (unless the Obligated Group is not obligated to retain) a Consultant within 30 days following the calculation to make recommendations for the rates, fees and charges of the Members as well as for the Obligated Group's methods of operation and other factors affecting its financial condition to increase such Long-Term Debt Service Coverage Ratio to at least 1.20 for the following Fiscal Year.

(d) If the Long-Term Debt Service Coverage Ratio, calculated as of the end of any Fiscal Year, is less than 1.00 (calculated as set forth in subsection (a) above), the Obligated Group shall retain (unless the Obligated Group is not obligated to retain) a Consultant within 30 days following the calculation to make recommendations for the rates, fees and charges of the Members as well as for the Obligated Group's methods of operation and other factors affecting its financial condition to increase such Long-Term Debt Service Coverage Ratio to at least 1.20 for the following Fiscal Year.

(e) Within 90 days of retaining any such Consultant, the Group Representative shall cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member and the Master Trustee. Each Member shall follow each recommendation of the Consultant applicable to it; provided such actions need not be taken if they are not permitted by law or they conflict with the requirements of law applicable to the Member for retaining its status as a Tax-Exempt Organization or have been determined by the Governing Body of the applicable Member by resolution to be unreasonable, impractical or not feasible.

(f) Other than as described in subsection (g) immediately below, if the Obligated Group is required to retain a Consultant, no Event of Default will exist under the Master Indenture if (i) the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and (ii) follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of each applicable Member)

and permitted by law and, if applicable, its status as a Tax-Exempt Organization. Failure by the Obligated Group to comply with (i) or (ii) of the preceding sentence may become an Event of Default, with the giving of notice under the Master Indenture. If the Master Trustee requests, the Group Representative shall provide the Master Trustee with an Officer's Certificate that states that (i) the Obligated Group has taken all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and (ii) the Obligated Group has followed each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of each applicable Member) and permitted by law and, if applicable, its status as a Tax-Exempt Organization

(g) Notwithstanding the foregoing, an Event of Default pursuant to the Master Indenture arising from the Long-Term Debt Service Coverage Ratio shall only occur if one or more of the following conditions applies:

(i) The Obligated Group fails to achieve a Long-Term Debt Service Coverage Ratio of at least 1.20 and fails to take all necessary action to comply with the procedures set forth in the Master Indenture for obtaining a Consultant's report, when and if required, and following all recommendations contained in such report to the extent feasible (as determined by the Group Representative) and permitted by law;

(ii) The Obligated Group fails to achieve a Long-Term Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year and the Days' Cash on Hand of the Obligated Group as of the last day of such Fiscal Year is less than 120 days;

(iii) The Obligated Group fails to achieve a Long-Term Debt Service Coverage Ratio of at least 1.00 for a second consecutive Fiscal Year and the Days' Cash on Hand of the Obligated Group as of the last day of such second Fiscal Year is less than 500 days; or

(iv) The Obligated Group fails to achieve a Long-Term Debt Service Coverage Ratio of at least 1.00 for three consecutive Fiscal Years.

See "SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE" in Appendix C hereto for a description of the Rate Covenant.

Liquidity Covenant

The Master Indenture provides that:

Each Member shall conduct its business so that as of the end of each Fiscal Year, commencing with the Fiscal Year ending December 31, 2022, the Obligated Group shall have no less than 120 Days' Cash on Hand (the "Liquidity Requirement").

If the Days' Cash on Hand, calculated as of the end of any Fiscal Year, is less than the Liquidity Requirement, the Group Representative shall, within 45 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate approved by a resolution of the Governing Body of one or more Members, as applicable, to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the Liquidity Requirement for future Fiscal Years.

If Days' Cash on Hand is less than the Liquidity Requirement as of the end of any two consecutive Fiscal Years, the Group Representative shall, within 30 days after delivery of the Officer's

Certificate disclosing such second consecutive deficiency (or such later date permitted under the Master Indenture), retain a Consultant to make recommendations for the rates, fees and charges of the Obligated Group, the Obligated Group's methods of operation and other factors affecting its financial condition to achieve the Liquidity Requirement for future Fiscal Years. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law and, if applicable, its status as a Tax-Exempt Organization.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the Liquidity Requirement for any Fiscal Year shall not constitute an Event of Default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan or retaining a Consultant and follows each recommendation contained in such plan or Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law and, if applicable, its status as a Tax-Exempt Organization.

See "SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE" in Appendix C hereto for a description of the Liquidity Covenant.

Consultants

Under the Master Indenture, a Consultant is defined as a professional consulting, accounting, financial advisory, investment banking or commercial banking firm or individual selected by the Group Representative having the skill and experience necessary to render the particular report required and having a favorable reputation for such skill and experience, which firm or individual does not control any Member or any Affiliate thereof and is not controlled by or under common control with any Member or an Affiliate thereof, it being understood that an arm's length contract between such firm and any Member of the Obligated Group for the performance of consulting, banking or other services shall not be regarded as creating an interest in having any control over such entity. The reports of Consultants required under the Master Indenture showing forecast financial performances may be in the form of a forecast of management of the Group Representative or another Member, as applicable, that is accompanied by a statement of a Consultant to the effect that the Consultant has reviewed the assumptions and procedures used by management and that the underlying assumptions provide a reasonable basis for the forecast of management.

The Group Representative shall employ from time to time as required by the provisions of the Master Indenture a Consultant. Any agreement or contract between a Consultant and the Group Representative shall include an acknowledgement by such Consultant, as appropriate, that the Master Trustee will rely upon the recommendations made by such Consultant.

The Group Representative shall notify the Master Trustee, the Related Bond Trustee and the firms or corporations named as the principal underwriters of any Related Bonds in any Supplement, of its intention to employ a consultant as Consultant pursuant to the Master Indenture and the name of such consultant at least 15 days prior to such engagement. If the Group Representative fails to appoint a Consultant or deliver a report as required by the Master Indenture, the Master Trustee, upon notice to the Group Representative, shall retain a Consultant for the account and at the expense of the Group Representative.

Notwithstanding anything to the contrary contained herein or in the Master Indenture, the Group Representative shall not be required to concur with a recommendation contained in the report of a Consultant that conflicts with law or existing contracts (including the covenants and requirements of law

applicable to the applicable Member for retaining its status as a Tax-Exempt Organization), nor shall the Group Representative or any Member be obligated to implement any such recommendation, if, in the reasonable judgment of the Group Representative, such failure to concur with or to implement such recommendation will not prevent the implementation of other recommendations that are sufficient in the aggregate to enable the Group Representative to rectify, within a reasonable period of time, the circumstance giving rise to employment of such Consultant.

Transfer of Property

Members of the Obligated Group may, upon compliance with certain conditions set forth in the Master Indenture, transfer property, including cash, investments and operating assets, to Persons who are not Members of the Obligated Group. See "SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE" in Appendix C hereto.

Additional Indebtedness

Each Member of the Obligated Group may, upon compliance with the conditions of the Master Indenture, incur additional debt to be evidenced by Obligations. The Master Indenture and the Obligations created thereunder are joint and several obligations of the Members of the Obligated Group. The Master Indenture provides that certain additional debt may be incurred by Members of the Obligated Group upon compliance with the requirements of the Master Indenture, which requirements in some but not all cases include certain financial tests either historical, forecasted or both. See "SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE" in Appendix C hereto for a description of limitations on the incurrence of additional indebtedness.

Remedies Upon Default

If an Event of Default occurs under the Indenture, the Loan Agreement or the Master Indenture, the principal of the Series 2022 Bonds (plus all interest accrued thereon and which will accrue thereon to the date of payment) may be declared immediately due and payable. See APPENDIX C - "SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE", APPENDIX D - "SUBSTANTIALLY FINAL FORM OF THE INDENTURE", AND APPENDIX E - "SUBSTANTIALLY FINAL FORM OF THE LOAN AGREEMENT."

VERIFICATION OF MATHEMATICAL COMPUTATION

The accuracy of the mathematical computations of the adequacy of the amounts to be on deposit with the Refunding Trustee on the Series 2022 Settlement Date to pay when due all principal or redemption price of and interest on the Series 2013 Bonds will be verified by [_____], certified public accountants and consultants (the "Verification Agent"). The Verification Agent will deliver its verification report on the Preliminary Closing Date. Such computations will be based solely upon assumptions and information supplied by the Underwriter on behalf of the Organization. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used or the reasonableness of the assumptions.

FORWARD DELIVERY OF THE SERIES 2022 BONDS

The Issuer expects that the Series 2022 Bonds will be issued and delivered on or about October [], 2022. There are numerous conditions which must be satisfied prior to issuance and delivery of the Series 2022 Bonds and the following is not meant to be an exhaustive list of such conditions. There can be no assurance that all of the conditions to the issuance and delivery of the Series 2022 Bonds will be satisfied nor that the Series 2022 Bonds will be issued.

Forward Delivery

The Issuer, the Organization and the Underwriter have agreed, subject to the terms and conditions of the Forward Delivery Purchase Contract to deliver on or about October [], 2022, or such other date as may be mutually agreed upon by the Issuer, the Organization and the Underwriter, the Series 2022 Bonds to the Underwriter and to deliver or cause to be delivered to the Underwriter the other documents, opinions, certificates and instruments required by the Forward Delivery Purchase Contract to be delivered as part of the settlement as more fully discussed below. The purchase of the Series 2022 Bonds by the Underwriter and the delivery thereof is also subject to the satisfaction of certain conditions on the Preliminary Closing Date and on the Series 2022 Settlement Date. Subject to the terms and conditions of the Forward Delivery Purchase Contract, the Underwriter has agreed to accept such delivery and pay the purchase price for the Series 2022 Bonds on the Series 2022 Settlement Date. The foregoing described transactions after the Preliminary Closing Date are referred to herein as the “Settlement.”

In connection with the Underwriter’s obligation to purchase the Series 2022 Bonds pursuant to the Forward Delivery Purchase Contract, each Purchaser of the Series 2022 Bonds will be required to execute and deliver a Delayed Delivery Agreement for the Series 2022 Bonds in substantially the form attached hereto as “APPENDIX H – SUBSTANTIALY FINAL FORM OF DELAYED DELIVERY AGREEMENT”. The proposed form of the Delayed Delivery Agreement for the Series 2022 Bonds is attached hereto at the request and for the convenience of the Underwriter.

The Issuer and the Organization will not be a party to the Delayed Delivery Agreement for the Series 2022 Bonds and will not in any way be responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Forward Delivery Purchase Contract are not conditioned or dependent upon the performance of any Delayed Delivery Agreement for the Series 2022 Bonds. Except as specified in the Delayed Delivery Agreement for the Series 2022 Bonds, Purchasers will not be able to withdraw their orders and will not be excused from performance of their obligations to take up and pay for the related Series 2022 Bonds on the Series 2022 Settlement Date because of market or credit changes, including, but not limited to changes in the financial condition, operations, performance, properties or prospects of the Organization from the date of the Forward Delivery Purchase Contract to the Series 2022 Settlement Date.

Conditions to Settlement

General. The settlement and the issuance of the Series 2022 Bonds are conditioned upon the satisfaction of the specific conditions of the Forward Delivery Purchase Contract, including delivery of certain documents described in the Forward Delivery Purchase Contract (collectively, the “Settlement Documents”). The Settlement Documents include, among other items, the opinions of Bond Counsel with respect to the Series 2022 Bonds in substantially the form set forth as “APPENDIX F - FORM OF APPROVING OPINION OF BOND COUNSEL DATED THE SERIES 2022 SETTLEMENT DATE” attached hereto and certain other opinions or letters of Bond Counsel, Nixon Peabody, LLP, [special counsel] to the Organization, and counsel to the Underwriter, as well as certificates of the Issuer and the

Organization as to the completeness and accuracy of the Updated Official Statement (as defined below) to the Series 2022 Settlement Date.

Under the Forward Delivery Purchase Contract, the obligation of the Underwriter to purchase the Series 2022 Bonds is subject to the following conditions on the Series 2022 Settlement Date: (1) the Forward Delivery Purchase Contract, the Indenture, the Master Trust Indenture, the Loan Agreement, the Mortgage, the Series 2022 Master Note and the Continuing Disclosure Agreement (as defined below) (collectively, the “Financing Documents”) shall all be in full force and effect and shall not have been amended, modified or supplemented in any material respect prior to the Settlement, except as may have been agreed to by the Underwriter; (2) the Updated Official Statement shall not have been amended or supplemented, except in such manner as may have been approved by the Underwriter pursuant to the Forward Delivery Purchase Contract; (3) the Issuer shall have duly adopted or approved, and there shall be in full force and effect such additional resolutions or agreements as shall be necessary, in the opinion of Bond Counsel, in connection with the transactions contemplated by the Forward Delivery Purchase Contract; (4) the representations and warranties of the Issuer and the Organization in the Forward Delivery Purchase Contract shall be true and accurate in all material respects as if made on the Series 2022 Settlement Date; (5) the Issuer shall perform or have performed all obligations required under or specified in the Financing Documents to which it is a party to be performed at or prior to the Settlement; and (6) the Organization shall perform or have performed all obligations required under or specified in the Financing Documents to which it is a party to be performed at or prior to the Settlement.

Updated Official Statement. Pursuant to the Forward Delivery Purchase Contract, the Issuer and the Organization agree to prepare one updated official statement (the “Updated Official Statement”), to be dated a date not more than twenty-five (25) nor less than ten (10) days prior to the Series 2022 Settlement Date, and which, as of such date, will be correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. During the period between the date of Preliminary Closing Date and the Series 2022 Settlement Date (the “Forward Delivery Period”), certain information contained in this Official Statement may change in a material respect. Other than the Updated Official Statement, the Issuer, the Organization and the Underwriter have not agreed to, nor is the Issuer and the Organization obligated to, provide updates to the information contained in this Official Statement during the Forward Delivery Period.

Issuance of Legal Opinion. It is a condition to the issuance of the Series 2022 Bonds on the Series 2022 Settlement Date that Bond Counsel deliver its approving opinion with respect to the Series 2022 Bonds in substantially the form attached hereto as “APPENDIX F - FORM OF APPROVING OPINION OF BOND COUNSEL DATED THE SERIES 2022 SETTLEMENT DATE”. The ability of Bond Counsel to deliver its opinions on the Series 2022 Settlement Date is subject to their review and analysis at that time of certain matters, including, among others, the application of the proceeds of the Series 2022 Bonds and pertinent provisions of statutes, regulations, rulings and court decisions, including, but not necessarily limited to, State law and federal income tax and security laws then in effect or proposed to be in effect. Bond Counsel has advised the Issuer, the Organization and the Underwriter in the letter to be delivered by Bond Counsel on the Preliminary Closing Date that, assuming satisfaction by the Issuer, the Obligated Group and the Underwriter of their respective obligations to be satisfied in the Forward Delivery Purchase Contract, and the issuance of the Series 2022 Bonds, and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise) which, in Bond Counsel’s view, affect or are material to their opinions (including, without limitation, the existence of any litigation), Bond Counsel expects to be able to issue on the Series 2022 Settlement Date its opinion with respect to the Series 2022 Bonds in substantially the form attached hereto as “APPENDIX F - FORM OF APPROVING OPINION OF BOND COUNSEL DATED THE SERIES 2022 SETTLEMENT DATE”. In addition, in order to deliver such opinion, appropriate

certifications and representations will be required by Bond Counsel to establish the reasonable expectations of the Issuer and the Organization. No assurances can be made that there will be no change in any applicable law, regulations or rulings, or in the interpretations

Termination of Forward Delivery Purchase Contract. Under the Forward Delivery Purchase Contract, the Underwriter may terminate the Forward Delivery Purchase Contract by notification in writing to Issuer and the Organization if at any time subsequent to the Preliminary Closing Date and at or prior to the Series 2022 Settlement Date if any of the following occurs: (i) legislative, executive or regulatory action or a court decision which, in the judgment of the Underwriter, casts sufficient doubt on the legality of the Series 2022 Bonds or the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2022 Bonds or New York personal income taxation so as to impair materially the marketability or to materially lower the market price thereof; or (ii) any action by the Securities and Exchange Commission or a court which would require registration of the Series 2022 Bonds under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Agreement under the Trust Indenture Act of 1939, as amended; or (iii) any general suspension of trading in securities on the New York Stock Exchange or the establishment, by the New York Stock Exchange, by the Securities and Exchange Commission, by any federal or state agency, or by the decision of any court, of any limitation on prices for such trading, or any outbreak of hostilities or other national or international calamity or crisis, or any material escalation in any such hostilities, calamity or crisis, which in the sole judgment of the Underwriter may have a material effect on the marketability or market price of the Series 2022 Bonds; or (iv) any event shall have occurred, or information become known, prior to the Series 2022 Settlement Date, which makes untrue, incorrect or misleading in any material respect any statement or information contained in the Updated Official Statement or has the effect that the Updated Official Statement contains an untrue, incorrect or misleading statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and which statement requires an additional supplement to the Updated Official Statement, and such supplement has not been delivered to each Purchaser on or prior to the Series 2022 Settlement Date; or (v) pending or threatened litigation affecting or arising out of the issuance of the Series 2022 Bonds, which in the judgment of the Underwriter would materially impair the marketability or materially lower the market price of the Series 2022 Bonds; or (vi) there shall be in force a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required and be in force on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction; or (vii) the Organization shall fail to deliver its audited financial statements for the year ending [December 31, 2022] with an unqualified opinion of an independent auditor; or (viii) there shall have occurred a failure to make a payment of principal or interest, when due beyond any applicable grace or cure period with respect to any parity Indebtedness, or (ix) as of the Series 2022 Settlement Date, the Organization has requested that the rating on the Bonds be voluntarily withdrawn; or (ix) Bond Counsel determines that for any reason it will not be able to render its opinion substantially in the form attached as Appendix F to this Official Statement and Bond Counsel provides written notice thereof to the Issuer and the Underwriter (the “Bond Counsel Notice”), and the Issuer does not notify the Underwriter within five (5) business days of receipt of the Bond Counsel Notice that it has retained a new firm or firms to deliver such opinion.

Additional Risk Related to the Forward Delivery Period

During the Forward Delivery Period, certain information contained in this Official Statement could change in a material respect. In addition to the risks set forth above, Purchasers of the Series 2022 Bonds are subject to certain additional risks, some of which are described below.

Ratings Risk. No assurance can be given that at the Series 2022 Settlement Date of the Series 2022 Bonds, the ratings described under “RATING” above will continue to be in effect. Except as set forth above, any reduction, suspension or withdrawal of the rating set forth on the cover of this Official Statement does not release the Underwriter or the Purchaser of their obligations to purchase and accept delivery of the Series 2022 Bonds.

Secondary Market. The Underwriter is not obligated to establish a secondary market in the Series 2022 Bonds and no assurances can be given that a secondary market will exist for the Series 2022 Bonds during the Forward Delivery Period. Prospective purchasers of the Series 2022 Bonds should assume that the Series 2022 Bonds will not be a liquid investment throughout the Forward Delivery Period.

Other Investment Considerations. Events occurring prior to the Series 2022 Settlement Date may have significant consequences to persons who have agreed to purchase the Series 2022 Bonds on the Series 2022 Settlement Date. The values of the Series 2022 Bonds of each maturity on the Series 2022 Settlement Date are unlikely to be the same as, and in all likelihood will be greater or less than, the purchase price therefor, and such differences may be substantial. Several factors may adversely affect such values including, but not limited to, a general increase in interest rates for all obligations and other indebtedness, any threatened or adopted change in the federal income tax laws affecting the relative benefits of owning tax-exempt securities versus other types of investments, such as fully taxable obligations, or any adverse development with respect to the Organization’s results of operations, financial condition or prospects or with respect to the ratings of the Series 2022 Bonds. In addition, although the delivery of the opinions of Bond Counsel in substantially the form attached hereto as “APPENDIX F - FORM OF APPROVING OPINION OF BOND COUNSEL DATED THE SERIES 2022 SETTLEMENT DATE”, which is a condition to the issuance and delivery of the Series 2022 Bonds, is subject to any number of conditions to be fulfilled at the time of such delivery as described above, changes or proposed changes in federal income tax laws or regulations or interpretations thereof could affect the market value of tax-exempt securities generally, including, without limitation, the Series 2022 Bonds, without preventing the delivery of the Series 2022 Bonds at the Settlement.

Delayed Delivery Agreement for the Series 2022 Bonds. The Underwriter has advised the Issuer that the Series 2022 Bonds will be sold only to investors who execute the Delayed Delivery Agreement for the Series 2022 Bonds in substantially the form of APPENDIX H attached hereto. The Delayed Delivery Agreement for the Series 2022 Bonds restricts the ability of Purchasers of the Series 2022 Bonds to transfer their interests in the Series 2022 Bonds prior to the Series 2022 Settlement Date and no representation is made that any such transfer will be permitted. APPENDIX H is included in this Official Statement at the request and for the convenience of the Underwriter. **Neither the Issuer nor the Organization will be a party to the Delayed Delivery Agreement for the Series 2022 Bonds and neither of them are in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the Forward Delivery Purchase Contract are not conditioned or dependent upon the performance of any Delayed Delivery Agreement for the Series 2022 Bonds.**

BY PLACING AN ORDER WITH THE UNDERWRITER FOR THE PURCHASE OF THE SERIES 2022 BONDS AND EXECUTING THE DELAYED DELIVERY AGREEMENT FOR THE SERIES 2022 BONDS, EACH PERSON ACKNOWLEDGES AND AGREES THAT HE OR SHE HAS REVIEWED THIS OFFICIAL STATEMENT IN ITS ENTIRETY AND HAS PLACED SUCH AN ORDER WITH FULL KNOWLEDGE AND UNDERSTANDING OF THE DELAYED DELIVERY CLOSING CONDITIONS AND RISKS AND IS OBLIGATED TO PURCHASE THE SERIES 2022 BONDS WHICH ARE THE SUBJECT OF SUCH ORDER, SO LONG AS THE CONDITIONS OF THE FORWARD DELIVERY PURCHASE CONTRACT FOR THE DELIVERY OF THE SERIES 2022 BONDS ARE SATISFIED AND THE

UNDERWRITER HAS NOT ELECTED TO TERMINATE THE FORWARD DELIVERY PURCHASE CONTRACT.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2022 Bonds. The Series 2022 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2022 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of the Series 2022 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022 Bond ("Beneficial Owner") is in turn to be recorded 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 2022 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2022 Bonds, except in the event that use of the book-entry system for the Series 2022 Bonds is discontinued.

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

Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2022 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2022 Bonds may wish to ascertain that the nominee holding the Series 2022 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar 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 2022 Bonds within a series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

Redemption proceeds, distributions, and dividend payments on the Series 2022 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on 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, Trustee, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC's website; the Issuer and the Underwriter take no responsibility for the accuracy thereof.

BONDHOLDERS' RISKS

The discussion herein of risks to the registered owners of the Series 2022 Bonds is not intended as dispositive, comprehensive or definitive, but rather is to summarize certain matters which could affect payment on the Series 2022 Bonds. Other sections of this Official Statement, as cited herein, should be referred to for a more detailed description of risks described in this section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the principal office of the Trustee.

AN INVESTMENT IN THE SERIES 2022 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK. A PROSPECTIVE BONDHOLDER IS ADVISED TO READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO AND TO REFER TO THE SECTION "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2022 BONDS" AND THIS SECTION FOR A DISCUSSION OF CERTAIN INVESTMENT CONSIDERATIONS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2022 BONDS.

State Regulation of Fee-For-Service Continuing Care Retirement Communities

The Community is regulated by Article 46 and Article 46-A of the New York State Public Health Law and is under the oversight of the New York State Department of Health (the "Department of Health") and the New York State Department of Financial Services. The Department of Health oversees the financial and non-financial operations, including financial requirements, disclosures, contracts, licensure and ongoing monitoring of the care and services provided by the Community to its residents. Article 46 of the New York State Public Health Law vests the regulatory powers under the Public Health Law in a continuing care retirement community council (the "Council"). The Council consists of the Attorney General of the State of New York, the Commissioner of the Department of Health (the "Commissioner"), the State Director of the Office of the Aging, or designees of any of them, and eight public members appointed by the Governor with the advice and consent of the State Senate. Such public members must be representative of the public, and have a demonstrated expertise or interest in continuing care retirement; provided that no more than one such member may be a sponsor, owner, operator, manager, member of a board of directors, or a shareholder of a continuing care retirement community. At least two public members must be residents of a continuing care retirement community. At least one of the public members must be a representative of an organization with demonstrated experience in representing the interest of senior citizens. The public members of the Council have fixed terms of four years.

Certificate of Issuer

Article 46-A provides that no person may construct, expand, acquire, maintain or operate a fee-for-service CCRC without a certificate of authority issued by the Commissioner with the approval of the Council. Once issued, a certificate of authority is valid unless and until the Council determines that the operator fails to meet the requirements of Article 46 or, has engaged in egregious behavior or if the Commissioner determines that the operator is insolvent. Within four months after the end of the operator's fiscal year, the operator is required to file an annual statement, including financial and other information, with the Commissioner. Sixty days prior to the commencement of the operator's fiscal year, the operator is required to file with the Commissioner a long-term debt service schedule and a projected annual revenue and expense summary for the next ten years. If the annual statement is not submitted within the time period established under Article 46 and an extension has not been granted, the Council may charge a late fee.

Required Reserves and Certain Financial Covenants

Public Health Law Article 46 requires a CCRC operator, after entrance fees or deposits held in escrow have been released, to maintain liquid assets in the amount of (1) principal and interest payments becoming due in the next 12 months under a mortgage loan, bond indenture, or other long term financing, and (2) liquid assets in an amount greater than or equal to fifteen percent of the sum of the following amounts: (i) the projected operating expenses of the CCRC during the next twelve months, (ii) the projected debt interest payment of the CCRC becoming due within the next twelve months, excluding debt interest payments included in (1) above, (iii) the projected aggregate of all taxes and insurance expenses that are related to the capital assets of the CCRC and the responsibility of the CCRC and due within the next twelve months, (iv) the projected or actual refund expenses of the community during the next twelve months except where the refund is dependent on the resale of the unit, and (v) the projected or actual refund expenses of the CCRC becoming due within the next twelve months where the refund is dependent on the sale of the unit. The Organization will meet these requirements with available funds held by the Organization.

Appointment of Caretaker or Receiver

If the Council determines that the CCRC is in substantial violation of federal or state law standards for health, safety or patient care or has established a pattern or practice of violating such standards, it shall revoke, suspend, or annul the operator's certificate of Issuer and if the Council believes it to be in the public interest, it may request the Commissioner to petition a court of competent jurisdiction to appoint a caretaker. If the Council determines that serious operational deficiencies or serious financial problems exist, it may enter into an agreement with the operator for the appointment of a receiver or the Commissioner shall, upon request of the Council, petition court for appointment of a receiver pursuant to the provisions of Article 46.

The foregoing does not purport to be a complete summary of the provisions of Article 46, the related regulations, or the insurance regulations, and reference is made to the statute and such related regulations for a full and complete statement of their provisions.

General

Payment of the Obligations issued under the Master Indenture, including the Series 2022 Master Note and, therefore, the Series 2022 Bonds, will depend on the Obligated Group's ability to generate revenues sufficient to pay debt service on the Obligations, including the Series 2022 Master Note, while paying operating expenses of the Obligated Group's facilities. The Obligated Group's ability to generate revenues and its overall financial condition may be adversely affected by a wide variety of unforeseen events and conditions, including changes in demand for facilities similar to those provided by the Obligated Group, fluctuations in public confidence both in the Members of the Obligated Group and the services they provide, changes in government licensing procedures, regulation and competition and changes in the rules and guidelines governing reimbursement for health care by third party payors.

Limited Obligations

The Series 2022 Bonds are limited obligations of the Issuer, the principal or redemption price of and the interest on which will be payable solely from payments made by the Organization under the Loan Agreement or by the Obligated Group under the Series 2022 Master Note or from any other moneys made available to the Issuer for such purpose under the Loan Agreement, the Series 2022 Master Note or the Indenture.

Impact of COVID-19

The current economic climate has, and will continue to have, a direct impact on the Organization. The rapid spread of COVID-19 and the continued emergence of new and unique variants has significantly and negatively affected the global, national, state and local economies. In addition to this current market disruption, in general, patient service revenues and inpatient volumes have not increased as historic trends would otherwise indicate and health care providers have also experienced increases in self-pay admissions; increased levels of bad debt and uncompensated care; and reduced availability and affordability of health insurance.

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic, and on March 13, 2020, then President Trump declared a national emergency. Social distancing measures to slow the spread of COVID-19 were implemented across the region. Nonessential workers were required to stay home, and travel restrictions were implemented in New York and other states to slow the spread of the disease. The Organization implemented emergency preparedness and response protocols related to the outbreak of COVID-19 resulting in various operational challenges. Similarly, on March 23, 2020, then Governor Cuomo issued Executive Order 202.10, directing hospitals to cancel all elective surgeries and procedures and impacting health care providers across the spectrum of care. Management cannot predict the likelihood or the severity of the ultimate impact on the Organization's operations or financial condition, though such impact could be material and adverse. Management is monitoring developments with respect to the COVID-19 pandemic and intends to follow recommendations of the CDC and other applicable federal, state and local regulatory agencies. See APPENDIX A – "INFORMATION CONCERNING THE ORGANIZATION" herein.

State budgets, including the State of New York, are also under increased stress, resulting in increased review and possible reductions in their Medicaid programs. The COVID-19 pandemic and the adverse global economic consequences thereof may further exacerbate state budgetary pressures by reducing state tax collections. Any such state financial pressures could result in further delays and/or decreases in Medicaid reimbursement.

Stock markets in the U.S. and globally have recently seen significant volatility attributed to COVID-19 concerns. The continued spread of COVID-19 or any other similar outbreaks in the future may materially adversely impact global, national, state and local economies and, accordingly, may materially adversely impact the financial condition of the Organization.

A variety of federal, state and local government efforts have been initiated in response to the COVID-19 outbreak. On March 27, 2020, the approximately \$2 trillion Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted into law to provide stimulus to individuals and businesses impacted by the COVID-19 outbreak. The CARES Act and subsequent government action, such as the enactment on April 24, 2020 of the Paycheck Protection Program and Health Care Enhancement Act, include several provisions important to health care providers, including provisions for certain emergency funds, making available \$175 billion to reimburse eligible health care providers for health care-related expenses or lost revenues not otherwise reimbursed that are directly attributable to

COVID-19. Eligible providers include Medicare or Medicaid enrolled suppliers and providers, for-profit entities and not-for-profit entities in the United States that provide diagnoses, testing or care for individuals with possible or actual cases of COVID-19. The CARES Act also provides for other provisions designed to boost Medicare and Medicaid reimbursement for COVID-19 related services, including, among other items, payments for inpatient hospital admissions relating to COVID-19, accelerated payment to providers, and the suspension of certain policies that reduced payments to providers, including a temporary elimination of the Medicare sequester. Additionally, the CARES Act expands the ability of providers to offer telehealth by changing certain restrictions on reimbursement for those services. CARES Act funding and other emergency government support is likely to lead to significant auditing, oversight, and enforcement by the government concerning such funding. Further, it is not possible to predict the scope or effect of any future legislative or regulatory actions enacted in response to the COVID-19 outbreak on the Organization's operations and financial condition.

On September 19, 2020, the U.S. Department of Health and Human Services ("HHS") issued a notice ("Notice") concerning how health care providers that received more than \$10,000 in CARES Act and other provider relief fund payments must report their expenditures. The Notice also specified the formula for calculating a health care provider's lost revenues attributable to coronavirus. Providers are required to report healthcare related expenses attributable to COVID-19 that have not been reimbursed by another source, which may include general and administrative or healthcare related operating expenses. The precise impact of any violation of the provisions described in the Notice or in subsequent guidance cannot be predicted at this time, but could be negative if any such sanction is imposed. The formula for calculating lost revenues set forth in the Notice could have a potentially significant impact on whether a health care provider must repay a portion of its CARES Act funds.

On December 27, 2020, the Consolidated Appropriations Act, 2021 (the "Consolidated Appropriations Act") was enacted into law to provide additional federal funding for healthcare-related expenses due to COVID-19. The Consolidated Appropriations Act provides federal assistance to health care providers who are negatively impacted by Medicare's changes to the 2021 physician fee schedule rates. In particular, the Consolidated Appropriations Act earmarks \$3 billion to mitigate lost revenues for outpatient, primary care and certain specialty physicians. It expands access to provider services through an additional \$250 million in grants to support the use of telehealth. The Consolidated Appropriations Act also extended the suspension of the Medicare sequester through March 31, 2021, which was further extended until December 31, 2021 following the passage of Public Law 117-7 on April 14, 2021.

On March 11, 2021, the American Rescue Plan Act of 2021 (the "ARPA") was passed into law and provides \$1.9 trillion in federal funding to address the ongoing impact of COVID-19. ARPA provides a variety of financial incentives, including a 5% increase in federal Medicaid funding to any state that expands its Medicaid coverage under the ACA. ARPA also increases subsidies for health insurance plans available in ACA marketplaces in order to encourage more Americans to purchase health insurance and to incentivize insurance companies to join the exchanges. ARPA provides significant federal funding for COVID-19 testing, vaccination and other mitigation policies. ARPA specifically allocates \$200 million for infection control and vaccination support in skilled nursing facilities.

Further, the ongoing coronavirus (COVID-19) pandemic, and any other future healthcare pandemic or related crisis, could result in a spike in demand for health care services or otherwise impair operations or the generation of revenues from the facilities operated by the Organization. The treatment of a highly contagious disease at the Community could also result in a temporary shutdown or diversion of residents. The Organization is not able to predict the potential impact of such a disruption on its financial condition.

In April 2020, the Organization applied to participate in the Payroll Protection Program ("PPP") of the CARES Act and received a loan under the PPP in an amount of \$2,063,894 ("PPP Loan"). The Organization applied for forgiveness under the PPP and retained documentation to substantiate expenses permissible under the program. On October 18, 2021, the Organization received notification and confirmation that the Small Business Association remitted the full forgiveness payment to the provider of its PPP Loans, and accordingly, the PPP Loan was paid in full. While the PPP Loan has been forgiven, the Organization is still subject to an audit and there can be no assurances that the decision made regarding the forgiveness of the PPP Loan will not be reconsidered.

The HHS also made available relief grant funds to health care providers through the CARES Act Provider Relief Fund ("PRF"). The PRFs, however, are subject to certain restrictions on eligible expenses or uses and reporting requirements, such as using the funds to prevent, prepare for, and respond to coronavirus, and for related expenses or lost revenues attributable to coronavirus. The Organization was approved for and received \$347,272. At December 31, 2020, the Organization recognized \$347,272 as Federal COVID stimulus grant revenue on the Statement of Operations and Changes in Deficiency in the performance indicator. The Organization's management believes eligible expenses or uses and reporting requirements were met with respect to the distributed grant and, therefore, the amounts were properly recognized as of December 31, 2020. Subsequent to the year ended December 31, 2020 and through April 14, 2021, the Organization received additional provider relief grant funds totaling \$324,406. While it is expected that eligible expenses or uses and reporting requirements were met with respect to the distributions, the Organization is subject to an audit and the grants received could still be subject to repayment.

Failure to Maintain Turnover or Occupancy

The economic feasibility of the Obligated Group's facilities depends upon the ability of the Obligated Group to attract sufficient residents and to maintain substantial occupancy of the facilities of the Obligated Group throughout the term of the Series 2022 Bonds. If the levels of occupancy assumed by the Obligated Group do not occur, the revenues anticipated by the Obligated Group from monthly fees and entrance fees and other charges could be adversely affected.

If a substantial number of residents live beyond the life expectancies anticipated by the Obligated Group, new residents will be admitted at a slower rate and the receipt of additional entrance fees and monthly fees will be curtailed with a consequent impairment of the Obligated Group's cash flow. In addition, even if the anticipated attrition levels are realized and maintained, no assurance can be given that remarketing of vacated units will take place as quickly as assumed by the Obligated Group.

Sale of Homes by Prospective Independent Living Facility Residents

Many prospective residents of the Obligated Group's independent living facilities must sell their current homes to pay the entrance fee prior to occupancy or to meet other financial obligations under their residency agreements. If prospective residents encounter difficulties in selling their current homes, such prospective residents may not have sufficient funds to pay the entrance fee or to meet other obligations under their residency agreements, thereby causing a delay in the remarketing of vacated independent living units which would have an adverse impact on the revenues of the Obligated Group. In addition, lower prices on the sale of existing homes could result in decreased demand for independent living units in retirement communities generally.

Unique Nature of the Obligated Group Facilities

Most of the Obligated Group's facilities are not practically suited to alternative uses. As a result, the remedies available to the Trustee and the Master Trustee in the event of a default under the Loan Agreement, the Master Indenture and the Mortgage may be limited, and the realization of revenues from the sale or leasing of the Mortgaged Property (upon foreclosure or otherwise) might thus be materially and adversely affected.

Additional Debt

The Master Indenture permits the Obligated Group to incur additional Indebtedness which may be equally and ratably secured with the Series 2022 Master Note. Any such additional Indebtedness would be entitled to share ratably with the holders of the Series 2022 Master Note in any moneys realized from the exercise of remedies in the event of a default by the Obligated Group and in the proceeds of certain insurance and condemnation awards. There is no assurance that, despite compliance with the conditions upon which additional Indebtedness may be incurred at the time such debt is created, the ability of the Obligated Group to make the necessary payments to repay the Series 2022 Master Note may not be materially, adversely affected upon the incurrence of additional Indebtedness.

Supplements to the Master Indenture entered into in connection with the issuance of additional Obligations under the Master Indenture may contain additional covenants for the benefit of the Holders of such additional Obligations, including financial covenants that are more restrictive than the covenants otherwise contained in the Master Indenture. In the case of an Event of Default related to failure to comply with such covenants, the Holders of such additional Obligations, to the extent that they hold at least 25% of the aggregate principal amount of Obligations Outstanding under the Master Indenture, could direct an acceleration of all Obligations issued under the Master Indenture, including the Series 2022 Master Note.

Bankruptcy

The filing by, or against, the Obligated Group for relief under the United States Bankruptcy Code (the "Bankruptcy Code") would have an adverse effect on the ability of the Trustee, the Master Trustee and Bondholders to enforce their claim or claims to the security granted by the Mortgage and the Master Indenture, and their claim or claims to moneys owed them as unsecured claimants, if any. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Obligated Group and its property and as an automatic stay of any act or proceeding to enforce a lien against such property. Moreover, following such a filing the revenues and accounts receivable and other property of the Obligated Group acquired after the filing (and under some conditions prior to the filing) would not be subject to the liens and security interests created under the Mortgage and the Master Indenture absent a court order. In addition, the bankruptcy court has the power to issue any order, process or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code; such a court order could require that the property of the Obligated Group, including the Revenues of the Obligated Group and proceeds thereof, be used for the benefit of the Obligated Group, despite the lien and security interest of the Trustee therein.

In a bankruptcy proceeding, the debtor could file a plan of reorganization which modifies the rights of creditors generally, or any class of creditors, secured or unsecured. The Bondholders may only receive post-petition interest on the Series 2022 Bonds to the extent the value of their security exceeds their claim. The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan.

No plan may be confirmed unless, among other conditions, the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly in favor of junior creditors. More particularly, the Bankruptcy Code would permit the liquidation of the Obligated Group or the adoption of a reorganization plan for the Obligated Group even though such plan had not been accepted by (i) the holders of a majority in aggregate principal amount of the Series 2022 Bonds, if the plan is “fair and equitable” and does not discriminate unfairly against the Bondholders as a class and is in the “best interest of the creditors,” which may mean that the Bondholders are provided with the benefit of their original lien or the “indubitable equivalent”; or (ii) any holder of the Series 2022 Bonds if the Bondholders, as a class, are deemed unimpaired under the plan.

In addition, if the bankruptcy court concludes that the Bondholders have “adequate protection,” it may (1) substitute other security for the security subject to the lien of the Mortgage and the Master Indenture by granting a replacement lien on post-petition assets or (2) subordinate the lien of the Bondholders to persons who supply credit to the Obligated Group after commencement of the case. In the event of the bankruptcy of the Obligated Group, any amount realized by the Trustee or Bondholders may depend on the bankruptcy court’s interpretation of “indubitable equivalent” and “adequate protection” under the then existing circumstances. Any transfers made to the Bondholders or the Trustee at or prior to the commencement of the case may be avoided and recaptured if such transfers are (a) avoidable by a judicial lien creditor who obtained its lien on the date the case commenced (regardless of whether such a creditor actually exists), (b) preferential or fraudulent (as defined by the Bankruptcy Code) or (c) voidable under applicable law by any actual unsecured creditor. The Bondholders may also be subject to avoidance and recapture of any post-petition transfers, turnover of property of the debtor which they, the Trustee or a custodian hold and assumption, assignment or rejection of executory contracts.

Competition

The Community may face competition in the future as a result of changing demographic conditions and the construction of new, or the renovation or expansion of existing continuing care facilities in the geographic area served by the Community. The Organization will also face competition from other forms of retirement living, including condominiums, apartment buildings and facilities not specifically designed for elderly, some of which may be barriers to certain competitors because some types of competition facilities do not require a Certificate of Authority under Article 46 of the New York State Public Health Law. The effect of those future competing facilities on the Community may be material.

Nature of the Income of Residents

A large percentage of the monthly income of some residents of the Community is fixed income derived from pensions and social security or income from investments. If, due to inflation or otherwise, substantial increases in resident fees and charges are required to cover increases in operating costs, including wages, benefits and other expenses, residents may have difficulty paying or may be unable to pay such increased fees and charges. Furthermore, investment income of the residents may be adversely affected by declines in market interest rates, also resulting in payment difficulties. The Obligated Group conducts a financial analysis of each potential resident of their independent living units before executing a Residency Agreement to determine the likely ability of the resident to meet the financial obligations to the

Obligated Group; however no assurance may be given that future events, including life expectancy, will not result in residents encountering difficulty in paying the fees and charges of the Obligated Group.

Fluctuation in Market Value of Investments

Earnings on its investments have historically provided the Obligated Group a source of cash flow and capital appreciation to support its programs and services, to finance its capital expenditure investments and to build its cash reserves. No assurances can be given that the market value of the Obligated Group's investments will grow, or even remain at its current level and there is risk that it may actually decline at some time in the future.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Obligated Group under the Series 2022 Master Note will be limited to the same extent as the obligations of debtors typically are affected by bankruptcy, insolvency and the application of general principles of equity to the enforcement of creditors' rights and as additionally described below.

The joint and several obligations described herein of the Members of the Obligated Group and any future Members of the Obligated Group to make payments of debt service on Obligations issued under the Master Indenture (including transfers in connection with voluntary dissolution or liquidation) may not be enforceable to the extent (1) enforceability may be limited by applicable bankruptcy, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights and by general equitable principles and (2) such payments (i) are requested from a Member of the Obligated Group on account of borrowings which did not directly benefit such Member; (ii) are requested to be made from any moneys or assets which are donor-restricted or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment; (iii) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member of the Obligated Group from which such payment is requested; or (iv) are requested to be made pursuant to any loan violating applicable usury laws. The extent to which the assets of any future Member of the Obligated Group may fall within the categories (ii) and (iii) above with respect to the Series 2022 Master Note cannot now be determined. The amount of such assets which could fall within such categories could be substantial.

A Member of the Obligated Group may not be required to make any payment on any Obligation, or portion thereof, the proceeds of which were not loaned or otherwise disbursed to such Member of the Obligated Group to the extent that such payment would render such Member of the Obligated Group insolvent or which would conflict with or not be permitted by or which is subject to recovery for the benefit of other creditors of such Member of the Obligated Group under applicable laws. In the event additional entities become Members of the Obligated Group in the future, there is no clear precedent in the law as to whether such payments from a Member of the Obligated Group other than the Organization in order to pay debt service on the Series 2022 Master Note may be voided by a trustee in bankruptcy in the event of bankruptcy of the Member of the Obligated Group, or by third-party creditors in an action brought pursuant to New York fraudulent conveyance laws. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under the New York fraudulent transfer statute and common law, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received reasonably equivalent value in exchange for the guaranty and (2) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or New York fraudulent transfer laws, or the guarantor is undercapitalized.

Application by courts of the tests of "insolvency" and "reasonably equivalent value" has resulted in a conflicting body of case law. It is possible that, in an action to force a Member of the Obligated Group to pay debt service on an Obligation for which it was not the direct, beneficiary, a court might not enforce such a payment in the event it is determined that the Member of the Obligated Group is analogous to a guarantor of the debt of the Member of the Obligated Group who directly benefited from the borrowing and that reasonably equivalent value for the Member's guaranty was not received and that the incurrence of such Obligation has rendered or will render the Member insolvent.

The accounts of the Members of the Obligated Group and any future Members of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture are met, notwithstanding the uncertainties as to the enforceability of certain obligations of the Members of the Obligated Group contained in the Master Indenture which bear on the availability of the assets and revenues of the Members of the Obligated Group to pay debt service on Obligations, including the Series 2022 Master Note.

The various legal opinions to be delivered concurrently with the execution and delivery of the Series 2022 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights or the enforceability of certain remedies or document provisions.

Third Party Reimbursement

General. The health care industry, in general, is subject to regulation by a number of governmental agencies, including those which administer the Medicaid and Medicare programs, and other federal, state and local governmental agencies. As a result, the industry is sensitive to legislative changes in such programs and is affected by reductions in governmental spending for such programs. Congress has in the past enacted a number of provisions which affect health care providers, and additional legislative changes can be expected. Previous legislative actions have included limitation of payments to nursing homes under the Medicare and Medicaid programs. Additional legislation dealing with nursing home revenues could be introduced, and if enacted, such legislation might have an adverse impact upon the revenues of the Organization.

The Organization is certified as a provider of services under Title XVIII of the federal Social Security Act (Medicare) and Title XIX of the Social Security Act (Medicaid) to receive payments for providing skilled nursing care for Medicare- and Medicaid-eligible patients. Payments will be made directly to the Organization for residents qualifying for Medicare and Medicaid on the basis of per diem rates.

Medicare. Medicare is a federal insurance program which, among other things, provides reimbursement for certain skilled nursing care in Medicare-certified facilities. Except as modified by currently applicable COVID-19 Medicare waivers, a resident could qualify for Medicare reimbursement only if the resident's admission to the nursing home facility is immediately subsequent to the resident's three or more day stay at an acute care facility and the resident's condition meets Medicare's medical necessity criteria for skilled nursing care. Medicare reimbursement for nursing care is limited to a renewable 100-day period for each qualified post-hospital admission to a nursing home facility.

Medicare is administered by the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services ("CMS"). Medicare makes payment for skilled nursing services using a prospective payment system ("PPS") subject to certain cost limitations and services, whereby providers are compensated for providing care to Medicare beneficiaries based on an assessment

of the resident. The assessment is based on a Resource Utilization Group (RUG) system. Payment is made for up to 100 days of post-hospital extended care services. After the 20th day of such services, the resident is responsible for a coinsurance amount. Extended care services include nursing care, accommodations, medical social services, and physical, occupational or speech therapy furnished by the facility or others under arrangements with the facility.

The Organization has Medicare certification for the Skilled Nursing Beds. The Medicare rate is based on the prospective rate, adjusted for the resident's acuity assessment.

CMS has published a major overhaul of regulations affecting long term care facilities which became effective November 28, 2016. The Organization is analyzing the impact of these regulations and will comply with these new requirements. Other future legislation, regulation or actions by the federal government are expected to continue the trend toward more restrictive limitations on reimbursement for long-term care services. At present, no determination can be made concerning whether, or in what form, such legislation could be introduced and enacted into law. Similarly, the impact of future cost control programs and future regulations upon the Organization's financial performance cannot be determined at this time.

Medicare HMOs. Medicare allows Medicare beneficiaries to enroll in certain federally qualified health maintenance organizations and competitive health plans ("Medicare HMOs"). Medicare HMOs enter into contractual arrangements with providers, pursuant to which the HMO pays negotiated rates which may be less than standard Medicare payment rates. The Organization has not entered into any contracts with Medicare HMOs, but may enter into such contracts in the future.

Medicare Reporting Requirements. Medicare regulations provide that all entities furnishing services for which payment may be made under Medicare are required to submit certain information to CMS and other governmental agencies. Persons who fail to submit the required information or who fail to report the information accurately and completely may be subject to civil money penalties. As these requirements are numerous, technical and complex, there can be no assurance that the Organization may not incur such penalties in the future. These penalties may be material.

Medicaid. Medicaid is a program jointly funded by the federal and state governments and administered by the states. In New York, the state's share is partially funded by counties and by The City of New York. Medicaid provides coverage to qualifying poor individuals for unlimited duration. Coverage is based on income and asset tests. Each state's Medicaid program has its own rules, subject to certain federal requirements. State systems for reimbursing nursing facilities for care provided to Medicaid residents vary; some rates are retrospective, some are prospective and some are case-mixed based rates. New York's system is a case-mix system, and operates similarly to the PPS system described above.

Medicaid MLTCs. Medicaid allows, and certain counties in New York require, Medicaid recipients to enroll in qualified health maintenance organizations and competitive health plans which are managed long term care plans ("Medicaid MLTCs"). Medicaid MLTCs enter into contractual arrangements with providers, pursuant to which the MLTC pays negotiated rates which may be less than standard Medicaid payment rates. Such Medicaid MLTCs may pay providers on a "capitated" basis; that is, at a predetermined amount per enrollee without regard to the value of services used by enrollees. The Organization has not entered into any contracts with Medicaid MLTCs, but may enter into such contracts in the future.

Medicaid Reporting Requirements. Medicaid regulations provide that all entities furnishing services for which payment may be made under Medicaid are required to submit certain information to

the Department of Health and other governmental agencies. Persons who fail to submit the required information or who fail to report the information accurately and completely may be subject to civil money penalties. As these requirements are numerous, technical and complex, there can be no assurance that the Organization may not incur such penalties in the future. These penalties may be material.

Federal “Fraud and Abuse” Laws and Regulations. The Federal Medicare/Medicaid anti-Fraud and Abuse Amendments to the Social Security Act (the “Anti-Kickback Law”) make it a criminal felony offense to knowingly and willfully offer, pay, solicit or receive any remuneration, directly or indirectly, in cash or in kind, for the referral of patients, to influence or arrange for the referral of patients, or the provision of items or services or other business (e.g., the purchase or lease of goods, facilities, or services) for which reimbursement is provided by federal health care programs, including the Medicare and Medicaid programs. In addition to criminal penalties, including fines of up to \$25,000 and five years imprisonment, violations of the Anti-Kickback Law can lead to civil monetary penalties and exclusion from federal and state health care programs. The scope of prohibited payments in the Anti-Kickback Law is broad and includes, but is not limited to, economic arrangements involving hospitals, physicians and other health care providers, including, without limitation, joint ventures, space and equipment rentals, purchases of physician practices and management and personal services contracts. Because the Anti-Kickback Law is so broad in its reach, the United States Department of Health and Human Services created a series of statutory exceptions and regulatory safe harbors which protect certain arrangements from being deemed to violate the Anti-Kickback Law. The safe harbors described in the regulations are narrow and do not cover a wide range of economic relationships. For an arrangement to be protected by an exception or safe harbor, all of the requirements of each applicable exception and safe harbor must be met. Therefore, many arrangements involving hospitals, physicians and other health care providers are not protected by these statutory exceptions and regulatory safe harbors.

Providers may have certain relationships with physicians and other referral sources which do not necessarily meet all of the requirements of each applicable exception and safe harbor under the Anti-Kickback Law. While only those arrangements that precisely meet all of the requirements of all applicable exceptions and safe harbors will be afforded protection from prosecution under the Anti-Kickback Law, arrangements that do not squarely fit within an exception or safe harbor do not necessarily violate the Anti-Kickback Law. If a particular transaction does not fit within the applicable exceptions and safe harbors to the Anti-Kickback Law, the transaction will be reviewed on a case-by-case basis to determine whether the relationship is intended to induce referrals or otherwise violate the Anti-Kickback Law. Certain courts have held that where one purpose of the transaction is to induce referrals, the transaction will be found to violate the Anti-Kickback Law. Where all applicable exceptions and safe harbors are not met, there can be no assurances that a provider will not be found to have violated the Anti-Kickback Law, or that any resulting sanction imposed on the provider would not have a material adverse effect on, among other things, a provider’s receivables, either by a retrospective denial of claims or exclusion from the Medicare and Medicaid programs. As noted above, other fines, penalties, criminal, civil and/or administrative actions against a provider found to have violated the Anti-Kickback Law may also result and have a material adverse effect on the provider.

The federal physician self-referral law (the “Stark Law”) prohibits a physician (or an immediate family member of such physician) with a financial relationship, direct or indirect, with an entity from referring a patient to such entity for the furnishing of certain “designated health services” which are paid for, in whole or in part, by the Medicare or Medicaid programs. The Stark Law further prohibits the entity receiving such prohibited referrals from presenting or causing to be presented a claim for payment under the Medicare and Medicaid programs for designated health services furnished pursuant to a prohibited referral. The designated health services currently subject to these prohibitions include clinical laboratory services, certain nuclear medicine services, physical therapy services, occupational therapy services, speech-language pathology services, radiology and certain other imaging services (including

magnetic resonance imaging, computerized axial tomography scans and ultrasound), radiation therapy services and supplies, durable medical equipment and supplies, parental and enteral nutrients equipment and supplies, orthotics, prosthetics and prosthetic devices and supplies, home health services, outpatient prescription drugs (including all drugs covered by Medicare Parts B and D) and inpatient and outpatient hospital services. Many states have similar statutes. However, the various state statutes often differ as to patients covered (e.g., the New York statute covers all patients irrespective of payor) and the list of designated health services included within the respective laws' reach.

Like the Anti-Kickback Law, failure to comply with the Stark Law can result in liability in connection with a wide variety of business transactions. Violation of the Stark Law requires the entity to refund any payments received as a result of a violation of the Stark Law, and may result in significant and material civil monetary penalties of up to \$15,000 for each self-referred service and exclusion from participation in federal health care programs, including Medicare and other programs, even if the transaction has other wholly legitimate business purposes. Unlike the Anti-Kickback Law, the Stark Law is a strict liability statute. If a financial relationship exists which does not fit within an applicable exception, referrals by a physician for designated health services will be deemed to violate the Stark Law. Both the referral and submission of a claim will violate the Stark Law and expose the individual parties to significant fines and penalties.

Sanctions could be applied in many situations where skilled nursing facilities participate in joint ventures with entities which may be in a position to make or influence referrals or to whom skilled nursing facilities may be in a position to make or influence referrals, enter into personal service and management contracts, enter into space and equipment rental agreements, waive co-payments and deductibles, etc. Such sanctions could result in a material adverse effect on the financial position of the Organization, exclusion from Medicare, Medicaid, and/or any federal and/or state health care programs, loss of license or disciplinary action by licensing agencies, and/or substantial civil monetary penalties.

Violations of the Anti-Kickback and Stark Laws can also have collateral consequences. For example, submission of claims for reimbursement by federal health care programs that are in violation of the Anti-Kickback or Stark Laws may implicate the Federal False Claims Act. The False Claims Act imposes civil penalties on anyone who, among other things, knowingly presents, or causes to be presented, a "false or fraudulent claim" for payment to the government. Penalties include a mandatory penalty for each claim that is found to be false or fraudulent, plus treble damages.

In addition to the Anti-Kickback and Stark Laws and the False Claims Act, there is an increasingly expanding and complex body of laws, regulations and policies relating to federal and state health programs that is not directly related to payment. These include reporting and other technical rules, regulation of emergency treatment and patient transfer, as well as broadly stated prohibitions regarding inducement for referrals, all of which carry potentially significant penalties for noncompliance. Violations may result in civil and criminal penalties, and could result in temporary or permanent exclusion from the federal health programs (which account for a significant portion of accounts receivable of most providers).

The Organization does not believe that it is involved in activities that pose a significant risk of sanctions under these referral laws. However, there can be no assurance that such challenge or investigation will not occur in the future.

Health Care Reform

Legislation is periodically introduced in Congress and in the New York legislature which could result in limitations on revenues, reimbursements, or charges for health care facilities. At this time, no

determination can be made as to whether such federal or state legislation will be enacted, or if enacted, its impact on the Organization.

Federal and State Health Care Program Reimbursement Cuts or Delays

The federal and state governments have in the past, and may in the future, make changes to their respective budgets, which may include budget reductions specific to the Medicare or Medicaid programs. Additionally, federal health care reform legislation has resulted in significant reimbursement cuts, and future health care reform efforts (including continuing efforts to repeal and replace the Health Care Reform Act) may result in additional cuts. The reduction of Medicare or Medicaid spending may have a material adverse effect upon facilities that accept Medicare and Medicaid payments. The Obligated Group is partly dependent upon Medicare and Medicaid reimbursement. See APPENDIX A – “INFORMATION CONCERNING THE ORGANIZATION”.

Possible Changes in Tax Status

The possible modification or repeal of certain existing federal income or state tax laws or other loss by the Organization of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of the Organization, and thereby its revenues. The Organization has obtained a letter from the Internal Revenue Service determining it is an exempt organization under Section 501(c)(3) of the Code. As an exempt organization, the Organization is subject to a number of requirements affecting its operation. The failure of the Organization to remain qualified as an exempt organization could affect the funds available to the Organization for payments under the Loan Agreement. Also, loss of exempt status as a Section 501(c)(3) organization may adversely affect the status of the Series 2022 Bonds for federal income tax purposes. Failure of the Organization to comply with certain requirements of the Code, or the amendments of the Code to restrict the use of tax-exempt bonds for facilities such as the Community, could cause interest on the Series 2022 Bonds to be included in the gross income of Bondholders or former Bondholders for federal income tax purposes. See “TAX MATTERS” herein.

Factors Affecting Real Estate Taxes

The Organization has entered into a certain Payments in Lieu of Taxes Agreement with the County of Westchester Industrial Development Agency (the "Agency"), the Organization and the Village of Sleepy Hollow, New York. Pursuant to the PILOT Agreement, the Organization pays an annual fixed payment in lieu of ad valorem real property taxes (the "PILOT Payments"). The term of the PILOT Agreement, and the payments to be made thereunder in lieu of real property taxes, ends in 2032, at which time the Organization would pay real property taxes as if the Agency were no longer the owner of the Community, which such taxes could be materially higher than the PILOT Payments. The PILOT Agreement includes provisions for the termination thereof prior to 2032, the end of the term of the PILOT Agreement as well as an adjustment in the PILOT Payments upon the occurrence of an Adjustment Event (as such term is defined in the PILOT Agreement). No assurances can be made that the PILOT Payments will be made according to the current schedule, will not be materially higher than that set forth in said schedule, or that the PILOT Agreement will be terminated prior to the end of its term.

Lack of Marketability for the Series 2022 Bonds

The Underwriter is not obligated to make a market for the Series 2022 Bonds and there can be no assurance that there will be a secondary market for the Series 2022 Bonds. The absence of such a market

for the Series 2022 Bonds could result in investors not being able to resell the Series 2022 Bonds should they need or wish to do so.

Possible Environmental Risks

There are potential risks relating to environmental liability associated with the ownership or operation of, or secured lending for, any commercial real property. If an un-permitted release of hazardous substances or wastes are found to be located on commercial real property, owners, operators, or secured lenders of, such property may be held liable for costs and other liabilities relating to such release of hazardous substances or wastes on a strict liability and/or joint and several basis. Secured lenders, however, may avail themselves of certain statutory exemptions from environmental liability pursuant to federal and state law. Nevertheless, in certain circumstances, an event of repossession, purchase or participation in the management of the Organization by the Trustee or the Bondholders, the Trustee and/or the Bondholders may be held liable for costs and other liabilities relating to hazardous substances and wastes, if any, found on the site of the Organization and such costs might exceed the value of the Organization and its properties.

Tectonic prepared a Phase I Environmental Site Assessment Report (the “ESA”), dated December 10, 2021, for the Organization following the criteria and guidance of the ASTM E 1527-13 Phase I Standard Practice. The ESA includes a site inspection, review of governmental records, assembly and review of data from area maps and directories, assessment of aerial photographs, and interviews with an agent of the Organization owner, others familiar with the Organization, and governmental officials. ASTM E 1527-13 Phase I Standard Practice states that a phase I environmental site assessment is intended to reduce, but cannot eliminate, uncertainty regarding the potential for environmental recognized conditions (“RECs”) at a property.

The ESA states that it has not revealed evidence of RECs at the Organization except for the following:

- 1). A 2016 release of #2 fuel oil at the Organization that occurred during the delivery of home heating oil. According to the New York State Department of Environmental Conservation’s (“NYSDEC”) spills database, the reported volume of the spill was between 300-700 gallons. NYSDEC issued a No Further Action letter, and closed out its spill file, on January 12, 2017.
- 2). A 2010 release of #2 fuel oil into the basement and surrounding soils of a residence located at 26 Evergreen Way, approximately 1,100 feet cross-gradient of the Organization. This spill occurred due to a damaged fuel pipeline located at the residence. A cleanup was completed, and NYSDEC issued a No Further Action letter and closed out its spill file on January 28, 2019.

Because of the age and nature of the above-referenced RECs, both are considered historical RECs pursuant to ASTM E 1527-13 Phase I Standard Practice. The issuance of the “No Further Action” letters and closures of the open spill files represent regulatory determinations by NYSDEC that the cleanup of and/or response to the historical spills have been completed in satisfaction of the applicable New York state requirements, and that no further investigation is warranted. The ESA does not recommend that any further investigation of the RECs. However, Tectonic recommends a limited soil investigation be completed before any future site development/ground disturbance is commenced at the site of the Community. There can be no assurances that any further investigation at the Community will not find hazardous materials which could require significant resources to remediate.

Possible Limitations on Mortgage and the Lien

The pledge of and security interest in the Organization's and the future members of the Obligated Group's Gross Revenues derived from or in connection with the Community created under the Master Indenture, and the lien on the land and buildings of the Community created under the Mortgage may be limited by the following: (i) statutory liens (including federal tax liens); (ii) rights arising in favor of the United States of America or any Issuer thereof; (iii) present or future prohibitions against assignment contained in any federal statutes or regulations, that, in the case of amounts payable under the Medicare and Medicaid programs, prevent the collection of such amounts directly from the payor by a holder of a security interest; (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (v) federal bankruptcy or state insolvency laws affecting assignments of revenues earned after any effective institution of bankruptcy or insolvency proceedings by or against the Organization; (vi) rights of third parties in any revenues, including revenues converted to cash, not in possession of the Trustee or the Master Trustee; and (vii) the requirement that appropriate continuation statements be filed in accordance with the New York Uniform Commercial Code.

Prepayment Risks

The Series 2022 Bonds may be required to be paid prior to their stated maturity upon redemption (as described under "REDEMPTION OF THE SERIES 2022 BONDS" herein) and upon an acceleration following the occurrence of an event of default under the Indenture. Interest on the Series 2022 Bonds shall cease to accrue on the date of the declaration of acceleration and no premium would be payable. There can be no assurance that there would be sufficient funds available to pay the principal of and interest on the Series 2022 Bonds.

Nature of the Income of the Elderly

A large percentage of the monthly income of some residents of the Community will be fixed income derived from pensions and social security. In addition, some residents will be liquidating assets in order to pay the monthly service fees required under the Residency Agreement. If, due to inflation or otherwise, substantial increases in Monthly Service Fees are required to cover increases in operating costs, nursing care costs, wages, benefits and other expenses, residents may have difficulty paying or may be unable to pay such increased Monthly Service Fees. The Organization conducts a financial analysis of each potential resident before executing a Residency Agreement to determine the likely ability of the resident to meet the financial obligations to the Organization, however no assurance may be given that future events, including life expectancy, will not result in residents encountering difficulty in paying Monthly Service Fees.

Increases in Nursing Costs Along with Number of Residents Requiring Nursing Care

Because the Organization is obligated, under some Residency Agreements, to provide nursing care at no additional charge to the individual residents, including placing such residents under the Residency Agreement in other nursing facilities if no beds are available at the Community, increases in the nursing care requirements of the resident population, due to unanticipated increases in life span or any other cause, or substantial unanticipated increases in the cost of nursing care, could have an adverse impact on the operations of the Organization. Additionally, if the Organization should have to place residents in nursing care beds not located on the campus of the Community, an adverse effect on marketing may result. The undertaking to provide such nursing care is a general obligation of the Organization, and although the Organization believes that it will have sufficient funds to meet all of its

future obligations, no assurance can be given that such funds will be sufficient to meet all future obligations of the Organization.

Potential Refund of Entrance Fees

Under certain circumstances, the Organization may be obligated to refund all or a portion of the resident's Entrance Fee upon the resident's departure from the CCRC based on certain conditions as provided in such resident's Residency Agreement and as required by law. In some cases, refunds may be owed and payable prior to receipt of a corresponding replacement Entrance Fee with respect to the applicable unit. Accordingly, the payment of such refunds could adversely affect the Organization's ability to make payments required by the Loan Agreement, the Series 2022 Bonds and the Series 2022 Master Note.

Other Possible Risk Factors

The occurrence of any of the following events, or other unanticipated events, could adversely affect the financial condition or results of operations of the Obligated Group:

- (1) Establishment of mandatory governmental wage, rent or price controls.
- (2) A decline in the population, a change in the age composition of the population or a decline in the economic conditions of the Obligated Group's market area.
- (3) Developments or events affecting the federal or state exemption of the income of the Obligated Group from taxation or the status of any Member of the Obligated Group as an exclusively charitable organization.
- (4) Changes in key management personnel.
- (5) Reductions in utilization of continuing care retirement or personal care facilities as a result of preventive medicine, improved occupational health and safety, development and utilization of medical and scientific research and technological advances and other developments.
- (6) Increased costs resulting from the unionization of the employees of the Obligated Group or the utilization by a non-union employee of the Obligated Group of proceedings available under the National Labor Relations Act.
- (7) Increases in costs, including costs associated with, among other things, salaries, wages and fringe benefits, supplies, technology and equipment, energy and other utilities, the attraction and retention of nurses and other personnel, compliance with or violation of environmental laws and regulations, and other costs that could result in a sizable increase in expenditures without a corresponding increase in revenues.
- (8) Inability of the Obligated Group to obtain future governmental approvals to undertake additional projects necessary to remain competitive as to rates, charges and the quality and scope of care or any limitation on the availability of tax-exempt or other financing for future projects.
- (9) The occurrence of natural disasters, including floods, hurricanes, tornadoes and earthquakes, could damage the facilities of the Obligated Group, interrupt utility service or otherwise impair the operations of the Obligated Group and the generation of revenues from the

facilities. The facilities of the Obligated Group are required to be covered by general property insurance in amounts which management of the Obligated Group considers to be sufficient to provide for the replacement of such facilities in the event of a natural disaster.

(10) Suspension or revocation of or failure to renew the license to operate any of the Obligated Group's facilities, or any portion thereof, or any restriction on new admissions to licensed beds, or a failure to obtain a renewal of any certificate of authority from the New York Department of Financial Services.

(11) Increases in the cost and limitations on the availability of insurance, such as fire, automobile and general comprehensive liability insurance and business interruption insurance that Organizations of size and type similar to the Obligated Group generally carry.

(12) Adverse community relations or publicity involving the Obligated Group could affect the demand for the services provided by the Obligated Group's facilities, or the generation of revenues from such facilities.

(13) Increases in the cost of public utilities, including electricity, natural gas, water and sewer services.

The paragraphs above discuss certain Bondholders' risks, but are not intended to be a complete enumeration of all risks associated with the purchase or holding of the Series 2022 Bonds. Regulatory and other changes resulting from the factors mentioned above, among others, or the occurrence of other unanticipated events could have a material adverse effect on the Obligated Group's financial condition or results of their operations.

FINANCIAL REPORTING

The Master Indenture requires that the Obligated Group Agent provide to the Master Trustee, the following:

(i) As soon as possible but in no event later than 150 days after the end of each Fiscal Year or other period for which an audit has been performed, a copy of the Financial Statements as of the end of such Fiscal Year or other period accompanied by the report of an Accountant.

(ii) Contemporaneously with filing the Financial Statements for a Fiscal Year or other period as required under the Master Indenture, an Officer's Certificate stating the Long-Term Debt Service Coverage Ratio and the Days' Cash on Hand as of the end of such Fiscal Year or such other period.

(iii) If an Event of Default shall have occurred and be continuing, (i) such other financial statements and information concerning its operations and financial affairs, including those of any Member, as the Master Trustee may, at the request or the direction of the Holders of not less than a majority in aggregate principal amount of Obligations Outstanding, from time to time reasonably request, excluding, specifically, donor records, patient records, personnel records and records subject to attorney-client privilege and (ii) provide access to the Facilities and the Pledged Assets for the purpose of inspection by the Master Trustee during regular business hours or at such other times as the Master Trustee may, at the request or the direction of the Holders of not less than a majority in aggregate principal amount of Obligations Outstanding, reasonably request

(iv) An Officer's Certificate to the effect that the pro forma Long-Term Debt Service Coverage Ratio for the most recently completed Fiscal Year for which Financial Statements are available

(i) (A) would have been greater than or equal to 1.20 or (B) would not reduce the Long-Term Debt Service Coverage Ratio from what it otherwise was for such period, in each case, if such action had been assumed to have taken place at the start of the most recently completed Fiscal Year for which Financial Statements are available, and (ii) immediately upon such Person become a Member of the Obligated Group, taking the Person becoming a Member into account, the Obligated Group would be in compliance with the Liquidity Requirement based on the most recent annual financial statements delivered to the Master Trustee pursuant to the Master Indenture, or that the number of Days' Cash on Hand of the Obligated Group, taking the person becoming a Member into account, is equal to or greater than the number of Days' Cash on Hand would be without such Person becoming a Member of the Obligated Group.

(v) If the Days' Cash on Hand, calculated as of the end of any Fiscal Year, is less than the Liquidity Requirement, the Group Representative shall, within 45 days after delivery of the Officer's Certificate under the Master Indenture disclosing such deficiency, deliver an Officer's Certificate approved by a resolution of the Governing Body of one or more Members, as applicable, to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the Liquidity Requirement for future Fiscal Years.

(vi) If Days' Cash on Hand is less than the Liquidity Requirement as of the end of any two consecutive Fiscal Years, the Group Representative shall, within 30 days after delivery of the Officer's Certificate under subsection (v) above disclosing such second consecutive deficiency (or such later date permitted under the Master Indenture), retain a Consultant to make recommendations for the rates, fees and charges of the Obligated Group, the Obligated Group's methods of operation and other factors affecting its financial condition to achieve the Liquidity Requirement for future Fiscal Years. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law and, if applicable, its status as a Tax-Exempt Organization

CONTINUING DISCLOSURE

Rule 15c2-12

Inasmuch as the Series 2022 Bonds are limited obligations of the Issuer, the Issuer has determined that no financial or operating data concerning it is material to any decision to purchase, hold or sell the Series 2022 Bonds, and the Issuer will not provide any such information. The Organization, on behalf of itself and the Obligated Group, has undertaken all responsibilities for any continuing disclosure to holders of the Series 2022 Bonds as described below, and the Issuer shall have no liability to the holders or any other person with respect to such disclosures.

The Obligated Group has covenanted for the benefit of the Bondowners to provide certain financial information and operating data related to the Obligated Group by not later than 150 days following the end of the Obligated Group's Fiscal Year beginning with the Fiscal Year ending December 31, 2022 (the "Annual Report"), and to provide notices of the occurrences of certain enumerated events. The Annual Report and notices of enumerated events will be filed on behalf of the Obligated Group with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual report or notices of enumerated events can be found in APPENDIX G – "SUBSTANTIALLY FINAL FORM OF CONTINUING DISCLOSURE AGREEMENT." These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission ("Rule 15c2-12").

The Corporation has entered into previous continuing disclosure agreements for the benefit of the holders of the Series 2013 Bonds. [Following Diligence, add any missed filings].

Quarterly Disclosure

Pursuant to the Continuing Disclosure Agreement, the Organization has agreed to furnish, or cause to be furnished, to the Issuer, the Trustee and each Bondowner who has so requested such information, no later than 60 days subsequent to the last day of each fiscal quarter, copies of its unaudited quarterly financial statements and other statistics of the type customarily prepared for continuing care retirement communities.

LITIGATION

The Issuer

To the Issuer's knowledge, as of the date of this Official Statement, there is not pending or threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2022 Bonds or questioning or affecting the validity of the Series 2022 Bonds or the proceedings or Issuer under which they are to be issued or which in any manner questions the right of the Issuer to enter into the Indenture, Loan Agreement or Tax Regulatory Agreement or to secure the Series 2022 Bonds in the manner provided therein.

The Organization

There is no litigation pending against the Organization or, to the knowledge of the officers of the Organization, threatened against the Organization seeking to restrain or enjoin the issuance or delivery of the Series 2022 Bonds or in any way contesting the existence or powers of the Organization relating to the issuance of the Series 2022 Bonds or which in any way could materially adversely affect the operations, business or finances of the Organization.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2022 Bonds are subject to the unqualified opinion of Bond Counsel. Nixon Peabody LLP, New York, New York, has acted in the capacity as Bond Counsel for the purpose of rendering an opinion with respect to the authorization, issuance, delivery, legality and validity of the Series 2022 Bonds and for the purpose of rendering an opinion on the exclusion of the interest on the Series 2022 Bonds from gross income for federal income tax purposes and certain other tax matters.

Certain matters will be passed upon for the Issuer by its counsel, BurgherGray LLP, New York, New York; for the Organization by its counsel, Hawkins Delafield & Wood LLP, New York, New York, and for the Underwriter by its counsel, Harris Beach PLLC, Rochester, New York.

The various legal opinions to be delivered concurrently with the delivery of the Series 2022 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Federal Income Taxes

The Code imposes certain requirements that must be met subsequent to the issuance and delivery of the Series 2022 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 2022 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issue of the Series 2022 Bonds. Pursuant to the Indenture, the Loan Agreement and the Tax Regulatory Agreement, by and between the Issuer and the Organization (the “Tax Certificate”), the Issuer and the Organization have covenanted to comply with the applicable requirements of the Code in order to maintain the exclusion of the interest on the Series 2022 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code. In addition, the Issuer and the Organization have made certain representations and certifications in the Indenture, the Loan Agreement and the Tax Certificate. Bond Counsel will also rely on the opinion of Hawkins Delafield & Wood LLP as to all matters concerning (a) the status of the Organization as an organization described in Section 501(c)(3) of the Code and exempt from federal income tax under Section 501(a) of the Code, and (b) that the intended use of the facilities financed or refinanced with proceeds of Series 2022 Bonds will be in furtherance of the Organization’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 that opinion.

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 and the Organization described above, interest on the Series 2022 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 2022 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 2022 Bonds nor as to the taxability of the Series 2022 Bonds or the income therefrom under the laws of any state other than the State of New York.

Original Issue Discount

Bond Counsel is further of the opinion that the excess of the principal amount of a maturity of the Series 2022 Bonds over its issue price (i.e., the first price at which price a substantial amount of such maturity of the Series 2022 Bonds was sold to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (each, a “Discount Bond” and collectively the “Discount Bonds”) constitutes original issue discount which is excluded from gross income for federal income tax purposes to the same extent as interest on the Series 2022 Bonds. Further, such original issue discount accrues actuarially on a constant interest rate basis over the term of each Discount Bond and the basis of each Discount Bond acquired at such issue price by an initial purchaser thereof will be increased by the amount of such accrued original issue discount. The accrual of original issue discount may be taken into account as an increase in the amount of tax-exempt income for purposes of determining various other tax consequences of owning the Discount Bonds, even though there will not

be a corresponding cash payment. Owners of the Discount Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

Series 2022 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 2022 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 2022 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 2022 Bonds. Prospective investors are advised to consult their own tax advisors regarding these rules.

Interest paid on tax-exempt obligations such as the Series 2022 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 2022 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 F. 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 2022 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 2022 Bonds for federal or state income tax purposes, and thus on the value or marketability of the Series 2022 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 2022 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 2022 Bonds may occur. Prospective purchasers of the Series 2022 Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2022 Bonds.

Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2022 Bonds may affect the tax status of interest on the Series 2022 Bonds. Bond Counsel expresses no opinion as to any federal, state or local tax law consequences with respect to the Series 2022 Bonds, or the interest thereon, if any action is taken with respect to the Series 2022 Bonds or the proceeds thereof upon the advice or approval of other counsel.

The Series 2022 Bonds will be delivered on or about October 1, 2022. Assuming no changes in current law and satisfaction of certain terms and conditions provided in the Forward Delivery Purchase Contract, as described herein, Bond Counsel will deliver the opinion substantially in the form appearing in Appendix F of this Official Statement on the date of delivery of the Series 2022 Bonds. See "FORWARD DELIVERY OF THE SERIES 2022 BONDS."

INDEPENDENT AUDITORS

The audited consolidated financial statements of the Organization for the years ended December 31, 2019 and December 31, 2020 included in this Official Statement as APPENDIX B, have been audited by CliftenLarsonAllen LLP, independent auditors, as stated in their report appearing therein and the audited consolidated financial statements of the Organization for the years ended December 31, 2021 included in this Official Statement as APPENDIX B, have been audited by Baker Tilly US LLP, independent auditors, as stated in their report appearing therein.

RATING

Fitch Ratings Service has assigned the Series 2022 Bonds a rating of "_____" (stable outlook). Any explanation of the significance of such rating may only be obtained from Fitch Ratings Service. There is no assurance that the rating initially assigned to the Series 2022 Bonds will be maintained for any given period of time or that such rating may not be revised downward or withdrawn entirely by Fitch Ratings Service if, in its judgment, circumstances so warrant. Any downward change or in the withdrawal of such rating may have an adverse effect on the marketability or the price at which the Series 2022 Bonds may be resold by the holder of such Series 2022 Bonds.

FINANCIAL ADVISOR

Hamlin Capital Advisors LLC ("HCA") is acting as financial advisor to the Organization with respect to the Series 2022 Bonds. HCA has not prepared any portion of the Official Statement and is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement. HCA is a financial advisory firm and is not engaged in the business of underwriting, creating or distributing securities.

UNDERWRITING

Herbert J. Sims & Co., Inc. (the "Underwriter"), has entered into the Forward Delivery Purchase Contract to purchase all of the Series 2022 Bonds, if any of the Series 2022 Bonds are to be purchased, at

a price of [\$ _____], representing the aggregate principal amount of the Series 2022 Bonds, less an underwriter's discount of \$ _____ and plus original issue premium of \$ _____. The obligation of the Underwriter to pay for the Series 2022 Bonds is subject to certain terms and conditions set forth in the Forward Delivery Contract of Purchase. The Organization has agreed to indemnify the Underwriter and the Issuer as to certain matters in connection with the Series 2022 Bonds.

The Underwriter may offer and sell Series 2022 Bonds to certain dealers, including dealer banks and dealers depositing Series 2022 Bonds into investment trusts and others, at prices lower than the public offering prices stated on the cover of this Official Statement. The initial public offering prices may be changed from time to time by the Underwriter.

MISCELLANEOUS

All of the summaries of the provisions of the Act, the Series 2022 Bonds, the Indenture, the Loan Agreement, the Master Indenture, the Series 2022 Master Note and the Continuing Disclosure Agreement hereinabove set forth and all other references to such other materials not purporting to be quoted in full are only brief outlines of certain provisions thereof and are made subject to all of the detailed provisions thereof, to which reference is hereby made for further information, and do not purport to be complete statements of any or all such provisions of such documents.

All estimates and assumptions herein have been made on the best information available and are believed to be reliable, but no representation whatsoever is made that such estimates or assumptions are correct or will be realized. So far as any statements herein involve matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information contained in this Official Statement has been compiled or prepared from information obtained from the Organization and other sources deemed to be reliable and, while not guaranteed as to completeness or accuracy, is believed to be correct as of this date.

The attached Appendices are integral parts of this Official Statement and should be read in their entirety together with all of the foregoing information.

The Organization has reviewed the information contained herein which relates to the Organization has approved this Official Statement.

KENDAL ON HUDSON

By: _____
Name:
Title:

APPENDIX A

INFORMATION CONCERNING THE ORGANIZATION

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION FOR FISCAL YEARS
ENDED 2019, 2020 AND 2021**

APPENDIX C

SUBSTANTIALLY FINAL FORM OF THE MASTER INDENTURE

APPENDIX D

SUBSTANTIALLY FINAL FORM OF THE INDENTURE

EXHIBIT E

SUBSTANTIALLY FINAL FORM OF THE LOAN AGREEMENT

EXHIBIT F

FORM OF OPINION OF BOND COUNSEL DATED THE SERIES 2022 SETTLEMENT DATE

APPENDIX G

SUBSTANTIALLY FINAL FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX H

SUBSTANTIALLY FINAL FORM OF DELAYED DELIVERY AGREEMENT



January 3, 2022

Ms. Joan McDonald
Chairperson
Board of Directors
Westchester County Local Development Corporation
Michaelian Office Building
148 Martine Avenue, Room 903
White Plains, New York 10601

Dear Ms. McDonald:

This letter sets forth our understanding of the terms and objectives of our engagement, and the nature and scope of the services we will provide to the Westchester County Local Development Corporation ("Corporation").

Audit Scope and Objectives

We will audit the Corporation's statement of net position, and the related statements of activities and cash flows and the disclosures, which collectively comprise the financial statements of the Corporation as of and for the year ending December 31, 2021 and issue our report thereon as soon as reasonably possible after completion of our work.

Accounting standards generally accepted in the United States of America ("US GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement the Corporation's financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Corporation's RSI in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by US GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than the RSI that accompanies the Corporation's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

PKF O'CONNOR DAVIES, LLP
500 Mamaroneck Avenue, Harrison, NY 10528 | Tel: 914.381.8900 | Fax: 914.381.8910 | www.pkfod.com

PKF O'CONNOR DAVIES, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with US GAAS and *Government Auditing Standards* issued by the Comptroller General of the United States ("GAGAS") and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditors' report on the financial statements:

- Schedule of Indebtedness

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud, error, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the Corporation or to acts by management or employees acting on behalf of the Corporation; and issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Because the determination of abuse is subjective, GAGAS do not expect auditors to provide reasonable assurance of detecting abuse. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAGAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct the audit in accordance with US GAAS and GAGAS, and will include tests of accounting records and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with US GAAS and GAGAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Corporation or to acts by management or employees acting on behalf of the Corporation.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may exist and not be detected by us even though the audit is properly planned and performed in accordance with US GAAS and GAGAS. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting or misappropriation of assets and any material abuse that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential.

The objective for our audit also includes reporting on:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with GAGAS.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to GAGAS.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also include, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement when required based on our professional judgement.

After our planning is complete, we will communicate to management and those charged with governance, the significant risk(s) of material misstatement identified in our audit planning.

Audit Procedures – Internal Control

We will obtain an understanding of the Corporation and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements and the supplementary information, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to prevent and detect misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to GAGAS. An audit is also not designed to identify significant deficiencies or material weaknesses. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report.

Reporting

We will issue a written report(s) upon completion of our audit of the Corporation's financial statements and written reports required with audits performed in accordance with GAGAS. Our reports will be addressed to management and those charged with governance. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by GAGAS.

The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe (1) the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and (2) that the report is an integral part of an audit performed in accordance with GAGAS in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose.

We will also communicate with those charged with governance any (a) fraud involving senior management and other fraud that causes a material misstatement of the financial statements; (b) violations of laws or governmental regulations that come to our attention (unless they are clearly inconsequential); (c) disagreements with management and other serious difficulties encountered in performing the audit; and, (d) various matters related to the Corporation's accounting policies and financial statements.

Other Services

We will also prepare the financial statements of the Corporation in conformity with accounting principles generally accepted in the United States of America based on information provided by you.

We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities; for the selection and application of accounting principles;

and for the preparation and fair presentation of the financial statements, including all disclosures, RSI and supplementary information, in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the Corporation from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Your responsibilities include adjusting the financial statements and supplementary information to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the preparation of the supplementary information in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management's responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the RSI and supplementary information in accordance with US GAAP; (2) you believe the RSI and supplementary information, including its form and content, is fairly presented in accordance with US GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the RSI and supplementary information.

Management is responsible for management decisions and assuming all management responsibilities; for designating an individual with suitable skill, knowledge, and/or experience to oversee the financial statement preparation or other non-attest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the Corporation involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Corporation received in communications from employees, former employees, grantors, regulators or others. In addition, you are responsible for identifying and ensuring that the Corporation complies with applicable laws, regulations, contracts, agreements and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

In order to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that Corporation programs are administered in compliance with compliance requirements, management is responsible for establishing and maintaining effective internal control, including internal control over compliance, and for evaluating and monitoring ongoing activities.

Management's responsibilities also include identifying any significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the audit objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other engagements or studies. The Corporation is also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

At the conclusion of the engagement, we will request from management written confirmation concerning representations made to us in connection with the audit. The representation letter, among other things, will confirm management's responsibility for: (1) the preparation of the financial statements in conformity with US GAAP, (2) the availability of financial records and related data, and (3) the completeness and availability of all minutes of board meetings. Management's representation letter will further confirm that: (1) the effects of any uncorrected misstatements aggregated by us during the engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole, and (2) we have been informed of, or that there were no incidences of, fraud involving management or those employees who have significant roles in the Corporation's internal control. You will also be required to acknowledge in the management representation letter, when applicable, our assistance with preparation of the financial statements and related schedules and RSI and that you have reviewed and approved the financial statements, aforementioned schedules and RSI, and related notes prior to their issuance and have accepted responsibility for them. We will place reliance on these representations in issuing our report.

To the best of your knowledge, you are unaware of any facts which might impair our independence with respect to this engagement.

The financial statements are the property of the Corporation and can be reproduced and distributed as management desires. However, you must notify us in advance and obtain our approval if you intend to make reference to our firm in a document that includes our auditors' report on the financial statements. Because our engagement does not contemplate the foregoing, there may be an additional fee in connection with our review of any such documents. In the event our auditor/client relationship has been terminated when the Corporation seeks such consent, we will be under no obligation to grant such consent or approval.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We understand that your accounting department personnel will assist us to the extent practicable in completing the audit. They will provide us with detailed trial balances, supporting schedules, and other information we deem necessary. A list of these schedules and other items of information will be furnished

to you before we begin the audit. The timely and accurate completion of this information is an essential condition to our completion of the audit and the issuance of the audit report.

We keep documents related to this engagement in accordance with our records retention policy and applicable regulations or for any additional period requested by the applicable cognizant agency. If we are aware that a federal awarding agency or the Corporation is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation. We do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

As part of our engagement, we may propose standard, adjusting, or correcting journal entries to your financial statements. Management, however, has final responsibility for reviewing the proposed entries and understanding the nature and impact of the proposed entries to the financial statements. It is our understanding that management has designated qualified individuals with the necessary expertise to be responsible and accountable for overseeing the acceptance and processing of such journal entries.

Electronic and other communication

During the course of the engagement, we may communicate with you or with Corporation personnel via fax or e-mail. You should be aware that communication in those media may be unsafe to use and contains a risk of misdirection and/or interception by unintended third parties, or failed delivery or receipt. In that regard, you agree that we shall have no liability for any loss or damage to any person or Corporation resulting from the use of e-mail or other electronic transmissions by third parties (other than our Firm), including any consequential, incidental, direct, indirect or special damages.

Access to working papers

During the course of this engagement, we will develop files of various documents, schedules and other related engagement information known as our working papers. As we are sure you can appreciate, these working papers may contain confidential information and our firm's proprietary data. You understand and agree that these working papers are, and will remain, our exclusive property. Except as discussed below, any requests for access to our working papers will be discussed with you before making them available to requesting parties:

- (1) Our firm, as well as other accounting firms, participates in a peer review program covering our audit and accounting practices. This program requires that once every three years we subject our system of quality control to an examination by another accounting firm. As part of this process, the other firm will review a sample of our work. It is possible that the work we perform for you may be selected for review. If it is, the other firm is bound by professional standards to keep all information confidential.
- (2) We may be requested to make certain working papers available to regulators pursuant to authority given to them by law, regulation or subpoena. Such regulators may include (i) a federal Corporation providing direct or indirect funding or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities; (ii) the American Institute of Certified Public Accountants; and (iii) the State Board of Accountancy. If requested, access to such working papers will be provided under the supervision of our personnel. Furthermore, upon request, we may provide photocopies of selected working papers to them. The regulator may intend, or decide, to distribute the photocopies or information contained therein to others, including other government agencies.

Fees and billing

Our fee for the next year is detailed below:

	<u>2021</u>
Basic fee inclusive of the Audit Meetings:	
1 Entrance and 1 Exit meeting with Audit Committee and Management, 1 Public Board Meeting	<u>\$ 9,000</u>

The fee is based on anticipated cooperation from your personnel, audit condition of the books and records and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Dispute resolution

This engagement will be governed by the laws of the State of New York, without giving effect to any provisions relating to conflict of laws that would require the laws of another jurisdiction to apply.

Hosting services

In order to maintain our independence in accordance with the AICPA's Code of Professional Conduct, we cannot host or maintain any client information. You are expected to retain all financial and non-financial information including anything you upload to a portal and are responsible for downloading and retaining anything we upload in a timely manner. Portals are only meant as a method of transferring data, are not intended for the storage of client information, and may be deleted at any time. You are expected to maintain control over your accounting systems to include the licensing of applications and the hosting of said applications and data. We do not provide electronic security or back-up services for any of your data or records. Giving us access to your accounting system does not make us hosts of information contained within.

Confirmation and other

Scott Oling is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

GAGAS require that we provide you with a copy of our most recent external peer review report, and any subsequent peer review reports received during the period of the contract. Our latest peer review report accompanies this letter.

We will provide copies of our reports to the Corporation; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Our audit engagement ends on delivery of our audit report. Requests for services other than those included in this engagement letter will be agreed upon separately.

All rights and obligations set forth herein shall become the rights and obligations of any successor firm to PKF O'Connor Davies, LLP by way of merger, acquisition or otherwise.

If this letter correctly expresses your understanding of the terms of our engagement, including our respective responsibilities, please sign the enclosed copy where indicated and return it to us.

We are pleased to have this opportunity to serve you.

Very truly yours,

PKF O'Connor Davies, LLP
PKF O'Connor Davies, LLP

/
Enc.

The services and terms described in the foregoing letter are in accordance with our requirements and are acceptable to us.

COUNTY OF WESTCHESTER LOCAL DEVELOPMENT CORPORATION

BY: _____

TITLE: _____

DATE: _____

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.



REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 16, 2020

To the Partners of PKF O'Connor Davies, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, audits of employee benefit plans, audits of broker-dealers, and examinations of service organizations SOC 1 and SOC 2 engagements.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of PKF O'Connor Davies, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended December 31, 2019, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. PKF O'Connor Davies, LLP has received a peer review rating of *pass*.

Davie Kaplan, CPA, P.C.

DAVIE KAPLAN, CPA, P.C.

Davie Kaplan, CPA, P.C.
Certified Public Accountants