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**BOND PURCHASE AGREEMENT AND LOAN AGREEMENT**

**BY AND AMONG**

**NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION,**

**LIFE'S W.O.R.C., INC.**

**AND**

**ISRAEL DISCOUNT BANK OF NEW YORK**

**DATED JUNE 30, 2014**

**Relating To:**

**\$1,643,000**

**Nassau County Local Economic Assistance Corporation**

**Tax-Exempt Revenue Bonds**

**(Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project), Series 2014C-1**

**and**

**\$106,000**

**Nassau County Local Economic Assistance Corporation**

**Taxable Revenue Bonds**

**(Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project), Series 2014C-2**

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## **BOND PURCHASE AGREEMENT AND LOAN AGREEMENT**

THIS BOND PURCHASE AGREEMENT AND LOAN AGREEMENT (this "Bond Purchase Agreement"), dated June 30, 2014, by and among (i) NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION, a not-for-profit corporation duly organized and existing under the laws of the State of New York having its principal office at having its principal office at 1550 Franklin Avenue, Suite 235, Mineola, New York 11501 (the "Issuer"), (ii) LIFE'S W.O.R.C., INC., 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"), which is exempt from federal income taxation pursuant to Section 509(a)(1) and 170(b)(1)(A)(ii) of the Code (the "Institution"), having its principal office at 1501 Franklin Avenue, Garden City, New York 11530, and (iii) ISRAEL DISCOUNT BANK OF NEW YORK, a banking corporation organized and existing under the laws of the State of New York, having an office at 511 Fifth Avenue, New York, New York 10017 (the "Bank").

### **W I T N E S S E T H:**

WHEREAS, pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York (the "State"), as amended (hereinafter collectively called the "Act"), and pursuant to its Certificate of Incorporation (the "Certificate"), the Issuer was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

WHEREAS, the Act authorizes the Issuer to issue its bonds for the purpose of carrying out any of its corporate purposes and, as security for the payment of the principal and redemption price of and interest on any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon; and

WHEREAS, pursuant to a certain resolution duly adopted by the Issuer on June 19, 2014 (as may be amended or supplemented from time to time, the "Bond Resolution"), the Issuer authorized the issuance and sale of its up to \$1,643,000 aggregate principal amount Tax- Exempt Revenue Bonds (Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project), Series 2014C-1 (the "Series 2014C-1 Bonds"), and \$106,000 aggregate principal amount of Taxable Revenue Bonds (Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project), Series 2014C-2 (the "Series 2014C-2 Bonds" and collectively with the Series 2014C-1 Bonds, the "Bonds" or the "Series 2014 Bonds") for the purpose of financing a project for the benefit of the Institution (the "Project") consisting of the following: (A) financing of the acquisition, construction, renovation and/or equipping of a certain civic facility (the "Life 2014 Facility")

consisting of an autism program facility approximately 0.6313 acre parcel of real property located at 1517 Franklin Avenue, Garden City, Town of Hempstead, Nassau County, New York and the renovation of an approximately 17,500 square feet thereof, and the acquisition and installation of equipment and furnishings, including without limitation, telephone systems, alarms, furniture and computers, all for the use as an autism program for up to one hundred (100) adults with developmental disabilities; and (B) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds (the costs associated with item (A) and (B) above being hereinafter collectively referred to as the "Project Costs"); and

WHEREAS, as security for the Bonds and the Institution's obligations under the Bond Purchase Agreement, (i) the Institution has granted to the Issuer a mortgage lien on and security interest in the Facility pursuant to a certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2014, from the Institution to the Issuer and the Bank (the "Mortgage and Security Agreement"); which mortgage lien and security interest has been assigned by the Issuer to the Bank pursuant to a certain Assignment of Mortgage, dated June 30, 2014 (the "Assignment of Mortgage"), and (ii) the Institution has granted to the Bank a first priority security interest in the Pledged Collateral (as defined in the hereinafter defined Pledge and Security Agreement), pursuant to the terms of a certain Pledge and Security Agreement, each subject to the terms of the Intercreditor Agreement, respectively; and

WHEREAS, the execution and delivery of this Bond Purchase Agreement and the issuance of the Bonds under the Act have been in all respects approved and duly and validly authorized by the Bond Resolution; and

WHEREAS, the undertaking of the Project is for a proper purpose, to wit, to promote the job opportunities, the general prosperity and economic welfare of the inhabitants of the State, pursuant to the provisions of the Act; and

WHEREAS, the Bank, in consideration of, among other things, the express promises of the Institution set forth in Section 2.04 hereof, has agreed to purchase the Bonds in an aggregate principal amount of \$1,749,000 and to make the proceeds thereof available to the Institution for the purpose of assisting in the financing of the Project and deliver such Bonds, all on the terms of this Bond Purchase Agreement; and

WHEREAS, the Bonds shall be substantially in the forms attached hereto as Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Bank and the Issuer have agreed that the Bank shall make all advances hereunder to the Institution or its order on the terms set forth in Article IV hereof;

NOW, THEREFORE, the parties agree as follows:

## ARTICLE I

### DEFINITIONS

Section 1.01 Definitions of Terms. The following words and terms as used in this Bond Purchase Agreement shall have the following meanings:

“Accountant” means a firm of independent certified public accountants of recognized standing, selected by the Institution and acceptable to the Bank.

“Act” shall have the meaning assigned to such term in the first (1<sup>st</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

“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 as debtor or the Issuer under any applicable bankruptcy, insolvency, reorganization or similar law as now or hereafter in effect.

“Additions to Tax” means any penalties, fines, additions to tax, interest and additional amount described in Chapter 68 of the Internal Revenue Code of 1986, as amended, and in any similar state statute with respect to state income or franchise tax.

“Affiliates” of a Person means (a) any corporation, association, business trust, joint venture, limited liability company or other entity, partnership or similar entity organized on a for-profit basis under the laws of any state, of which the Person (or its members or governing body) possesses, directly or indirectly, in excess of 5% of the voting rights with respect thereto, provided that the ability to acquire voting rights shall not be treated as possession of such rights until the rights are acquired, or (b) any other corporation, association, business trust, joint venture, limited liability company or other entity, partnership or similar entity organized on a not-for-profit basis under the laws of any state, the certificate of incorporation or bylaws of which require or expressly permit the Person (or its members or governing body) to exercise control thereof, whether through (i) appointment of officers or employees of the Person (or its members or governing body) to its governing body (including, without limitation, on an ex-officio basis) with voting rights, (ii) appointment of members of such governing body by the Person (or its members or governing body) (iii) authority of the Person (or its members or governing body) to remove the members of such governing body or (iv) the right or power of the Person to require the use of funds or assets for any purpose of such Person.

“Anti-Terrorism Laws” means any laws (including common law), statutes, treaty, ordinance, regulation, rule, order, opinion, release, injunction, writ, decree or award of any Governmental Authority relating to terrorism or money laundering including Executive Order No. 13224 and the USA Patriot Act.

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

“Appraisal” means the written statement setting forth an opinion of the market value of the Facility that (i) has been independently and impartially prepared by a qualified appraiser directly engaged by the Bank or its agent which appraiser shall be licensed and certified by the applicable New York State agency, (ii) complies with all applicable federal and state laws and regulations dealing with appraisals or valuations of real property, including without limitation, applicable regulations and guidelines issued pursuant to Title X of FIRREA and, (iii) has been reviewed as to form and content and approved by the Bank.

“Assignment of Mortgage” shall have the meaning given to such term in the fourth (4<sup>th</sup>) WHEREAS paragraph hereof.

“Authorized Investment” means such investments as are designated by the Institution, approved by the Bank and permitted under the Tax Compliance Agreement.

“Authorized Representative” means, in the case of the Issuer, the Chairman, the Vice Chairman, the Secretary or the Chief Executive Officer of the Issuer; in the case of the Institution, any Vice President, in the case of the Bank and, in the case of each of the foregoing 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 Bank, and to the Issuer or Institution, as the case may be, containing the specimen signature of each such person and signed on behalf of (i) the Issuer by the Chairman, Vice Chairman, Secretary or the Chief Executive Officer of the Issuer, (ii) the Institution by the Chief Executive Officer or Chief Financial Officer, or (iii) the Bank by any Vice President.

“Bank” means (i) Israel Discount Bank of New York, a banking corporation organized and existing under the laws of the State of New York, and its successors and assigns as the Holder, and (ii) any surviving, resulting or transferee banking association or corporation authorized to do business in the State.

“Bonds” shall have the meaning assigned to such term in the third (3<sup>rd</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

“Bond Counsel” means the law firm of Phillips Lytle LLP or an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized.

“Bond Documents” or “Financing Documents” means collectively, this Bond Purchase Agreement, the Bonds, the Mortgage, the Assignment of Mortgage, the Pledge and Security Agreement, the Environmental Indemnity, the Intercreditor Agreement, the Tax Compliance Agreement and any other document now or hereafter executed by the Issuer or the Institution in favor of the Holder which affects the rights of the Holder in or to the Project, in whole or in part, or which secures or guarantees any sum due on the Bonds or any of the other Financing Documents, each as amended, restated, supplemented or otherwise modified, from time to time and all documents related thereto and executed in connection therewith.



“Bondholder” or “Holder” or “Owner” means the registered owner at the time in question of the Bonds. The initial Holder is the Bank.

“Bond Proceeds” means the sum of the face amount of the Bonds plus accrued interest, if any, less the sum of the original issue discount plus the underwriter's or similar discount, if any.

“Bond Purchase Agreement” means this Bond Purchase Agreement and Loan Agreement, dated June 30, 2014, by and among the Issuer, the Institution and the Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Bond Registrar” shall have the meaning assigned to such term in Section 3.03(b) hereof

“Bond Resolution” shall have the meaning assigned to such term in the third (3<sup>rd</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

“Business Day” means a day other than a Saturday, Sunday, legal holiday or other day on which the Bank is authorized by law or executive order to remain closed.

“Certificate” shall have the meaning assigned to such term in the first (1<sup>st</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

“Closing Date” means the date of sale and delivery of the Bonds, being June 30, 2014.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department thereunder and under the Internal Revenue Code of 1954, as amended.

“Compliance Schedule” means the schedule attached hereto as Schedule A.

“Computation Date” shall have the meaning ascribed to it in the Tax Compliance 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.

“Cost of the Facility” shall have the meaning assigned to such term in the third (3<sup>rd</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

“Covenant Compliance Certificate” means the covenant compliance certificate in the form annexed hereto as Exhibit B.

“Debt Service Coverage Ratio” means the quotient of the combined totals of: (i) the total of: (w) Institution's change in unrestricted assets from operations plus (x) depreciation/amortization and interest expense, minus (y) internally funded capital expenditures;

divided by (ii) the sum of: (a) the scheduled principal payments attributable to long term indebtedness including capital leases, plus (b) cash interest expense.

“Enabling Act” means the Act.

“Environmental Indemnity” means the ADA and Environmental Indemnity Agreement, dated as of June 30, 2014, from the Institution in favor of the Bank and the Issuer, as amended, restated, supplemented or otherwise modified from time to time.

“Environmental Event” shall have the meaning assigned to such term in the Environmental Indemnity.

“Environmental Laws” shall have the meaning given such term in the Environmental Indemnity.

“Environmental Report” shall have the meaning assigned to such term in the Environmental Indemnity.

“ERISA” means the Employee Retirement Income Security Act of 1974, as the same may, from time to time, be amended or supplemented, and all regulations thereunder.

“Event of Default” means any of those events defined as Events of Default by Section 6.01 of this Bond Purchase Agreement.

“Event of Taxability” means with respect to the Series 2014C-1 Bonds (A) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exemption, as such exists on the Closing Date, from gross income for federal income tax purposes for interest payable under the Bonds, (B) a “final determination by decision or ruling by a duly constituted administrative authority” to the effect that such exemption for interest payable under the Bonds is not available, is no longer available or is contrary to law, (C) the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest payable under the Bonds is not available, is no longer available or is contrary to law, or (D) receipt by the Holder of a written opinion of Bond Counsel that there is no longer a basis for the Holder (or any former Holder) to claim that any interest paid and payable on the Bonds is excluded from gross income for federal income tax purposes.

For the purposes of item (B) above, a “final determination by decision or ruling by a duly constituted administrative authority” shall mean (1) the issuance of a ruling (including, but not limited to, a revenue ruling or a letter ruling by the Internal Revenue Service (“IRS”) or any successor thereto, or (2) the issuance of a preliminary notice of proposed deficiency (“30-Day Letter”), a statutory notice of deficiency (“90-Day Letter”), or other written order or directive of similar force and effect by the IRS, or any other United States Governmental Agency having jurisdiction therein.

Nothing in this definition of “Event of Taxability” shall be construed to mean that the Bondholder shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Bonds is subject to taxation.

Notwithstanding the foregoing, in no event shall the imposition of an alternative minimum tax or preference tax or branch profits tax on any Bondholder, in the calculation of which is included the interest on the Bonds, be considered an Event of Taxability.

“Executive Order No. 13224” means the Executive Order No. 13244 on Terrorist Financing, effective September 23, 2001, as the same has been, or shall hereafter be, renewed, extended, amended or replaced.

“Facility” shall have the meaning assigned to such term in the third (3<sup>rd</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

“Financing Documents” shall have the meaning as set forth under the definition of “Bond Documents,” hereof.

“Fiscal Year” means a year of 365 or 366 days, as the case may be, commencing on July 1 and ending on June 30 of each calendar year.

“GAAP” means generally accepted accounting principles in the United States of America in effect from time to time.

“Good Faith Contest” means the contest of an item if: (i) the item is diligently contested in good faith by appropriate proceedings timely instituted; (ii) reasonable reserves or bonds in substitution thereof that are established or delivered with respect to the contested item; (iii) during the period of such contest, the enforcement of any contested item is effectively stayed; and (iv) the failure to pay or comply with the contested item has not and is not more likely than not to result in a Material Adverse Effect.

“Governmental Authority” means the United States, the State, and any other state or any political subdivision thereof, and any agency, department, commission, board, bureau or instrumentality of any of these, having jurisdiction over the construction, equipping, ownership, leasing, operation and/or maintenance of the Facility.

“Hazardous Materials” or “Hazardous Substance” has the meaning in the Environmental Indemnity.

“HSBC Revolving Loan” means that certain revolving loan made available by HSBC Bank USA, National Association to the Institution in the principal amount of \$3,000,000 pursuant to the terms of that certain Revolving Loan and Security Agreement, and Optional Advance Demand Note, each dated as of February 2, 2011, as amended, modified or restated.

"Indebtedness" means all obligations of a Person, whether current or long-term, senior or subordinated, which in accordance with GAAP would be included as liabilities upon such Person's balance sheet at the date as of which Indebtedness is to be determined, and shall also include payments due under capitalized leases as well as guaranties or endorsements (other than for collection in the ordinary course of business) or other arrangements whereby responsibility is assumed for the obligations of others, whether by agreement to purchase or otherwise acquire the obligations of others, including any agreement, contingent or otherwise, to furnish funds through the purchase of goods, supplies or services for the purpose of payment of the obligations of others.

"Independent Counsel" means an attorney or attorneys or firm or firms of attorneys duly admitted to practice law before the highest court in the State and reasonably acceptable to the Bank.

"Institution" means Life's W.O.R.C., Inc., a New York not-for-profit and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), which is exempt from federal income taxation pursuant to Section 509(a)(1) and 170(b)(1)(A)(ii) of the Code.

"Institution Documents" means this Bond Purchase Agreement, the Bonds, the Mortgage, the Environmental Indemnity, the Intercreditor Agreement, the Pledge and Security Agreement and the Tax Compliance Agreement, as each may be amended, restated, supplemented or otherwise modified, from time to time.

"Institution Expenses" shall mean the expenses of the Institution.

"Intercreditor Agreement" means, collectively, (i) the Mortgage Intercreditor Agreement entered into by and between The Bank of New York, as trustee and Israel Discount Bank of New York, as Series 2014 Bonds purchaser, dated as of June 30, 2014 and (ii) that certain Intercreditor Agreement by and among The Bank of New York Mellon, as trustee, Israel Discount Bank of New York, as line lender and the Series 2014 Bonds purchaser, dated as of a date to be determined as any of the foregoing may be amended, restated, supplemented or otherwise modified, from time to time.

"Issuer" means (i) Nassau County Local Economic Assistance Corporation and its successors and assigns and (ii) any public benefit corporation or political subdivision resulting from or surviving any consolidation or merger to which the Nassau County Local Economic Assistance Corporation or its successors or assigns may be a party.

"Issuer Documents" means the Bonds, this Bond Purchase Agreement, the Mortgage and the Tax Compliance Agreement.

"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 a 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" includes

reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions, leases, mechanics', materialmen's, warehousemen's and carriers' liens and other similar encumbrances affecting real property. For the purposes hereof, a Person shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional lease agreement or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person for security purposes.

"Material Adverse Effect" means any material and adverse effect (i) upon the assets, business (including prospects), operations, Property or condition (financial or otherwise, of the Institution (including, without limitation, contingent liabilities indicated in the notes to the Institution's financial statements), or its tax-exempt status or (ii) on the ability of the Institution to perform its obligations hereunder or under the other Bond Documents or (iii) the validity or enforceability of this Bond Purchase Agreement or any of the other Bond Documents or the rights and remedies of Holder hereunder or Issuer thereunder.

"Maturity Date" means with respect to the Series 2014C-1 Bonds, June 1, 2029, and with respect to the Series 2014C-2 Bonds, June 1, 2019.

"Mortgage" means the Mortgage and Security Agreement and the Assignment of Mortgage.

"Mortgage and Security Agreement" shall have the meaning given to such term in the fourth (4<sup>th</sup>) WHEREAS paragraph hereof.

"Mortgaged Property" shall have the meaning assigned to such term in the Mortgage.

"N-PCL" shall have the meaning assigned to such term in the first (1<sup>st</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

"Net Proceeds" means so much of the gross proceeds with respect to which that term is used as remain after payment of all expenses, costs including attorney's fees, and taxes incurred in obtaining such gross proceeds.

"Person" means an individual, partnership, corporation, trust or unincorporated organization, and a government or agency or political subdivision or branch thereof.

"Permitted Encumbrances" means:

(a) Liens for real estate taxes, assessments, water charges, sewer charges and other governmental charges or levies not yet due or as to which the period of grace, if any, related thereto has not expired or which are subject to a Good Faith Contest;

(b) the claims or liens of materialmen, mechanics, carriers, warehousemen, processors or landlords for labor, materials, supplies or rentals incurred in the ordinary course of business after the later to occur of either the Closing Date of or the recording of the Mortgage in the aggregate principal amount not to exceed \$50,000 and subject to a Good Faith Contest;

(c) Liens consisting of deposits or pledges made in the ordinary course of business in connection with, or to secure payment of, obligations under workers' compensation, unemployment insurance or similar legislation or obligations under customer service contracts;

(d) Liens constituting encumbrances in the nature of zoning restrictions, landmark restrictions, easements and rights or restrictions of record on the use of real property, which in the aggregate are not substantial in amount or material in nature (in the sole discretion of the Bank) and which do not detract from the value of such property or materially impair the intended or proposed use thereof in the ordinary conduct of business;

(e) Liens of the Bank;

(f) attachments, appeal bonds, judgments and other similar Liens, for sums not exceeding \$50,000 in the aggregate arising in connection with court proceedings, arbitration hearings or contests; provided, that the same were incurred after the later to occur of either the Closing Date or the recording of any Mortgage, the execution or other enforcement of such Liens is effectively stayed and the claims secured thereby are subject to a Good Faith Contest;

(g) judgment Liens which are incurred after the later to occur of either the Closing Date or the recording of the Mortgage, which do not otherwise result in an Event of Default;

(h) leases or subleases of real property granted to unaffiliated third Persons not interfering in any material respect with the business of the Institution and are subordinate in all respects to the Bank's security interests;

(i) any encumbrances that are expressly set forth in the Title Policy issued by Fidelity National Title Insurance Company;

(j) any Lien resulting from the lease or purchase of office equipment in the ordinary course of business or for the operation of the Mortgaged Property;

(k) normal and customary rights of setoff with respect to deposits of cash in favor of Bank or other depository institutions;

(l) Liens on real property other than on the Mortgaged Property; and

(m) Liens on accounts receivables up to a maximum aggregate amount equal to twenty-five percent (25%) of program revenues derived from the operation of the facilities of the Institution and its affiliates, securing one or more lines of credit of the Institution, which shall include without limitation, the HSBC Revolving Loan.

"Permitted Investments" means (a) investments and advances existing on the Purchase Date that are disclosed to and permitted by the Bank, (b) (i) obligations issued or guaranteed by the United States of America or any agency thereof, (ii) commercial paper with maturities of not more than 180 days and a published rating of not less than A-1 or P-1 (or the equivalent rating)

by a nationally recognized investment rating agency, (iii) certificates of time deposit and bankers' acceptances having maturities of not more than 180 days and repurchase agreements backed by United States government securities of a commercial bank if (A) such bank has a combined capital and surplus of at least \$500,000,000, or (B) its debt obligations, or those of a holding company of which it is a Subsidiary, are rated not less than A (or the equivalent rating) by a nationally recognized investment rating agency, and (iv) U.S. money market funds that invest solely in obligations issued or guaranteed by the United States of America or an agency thereof.

"Plan" means any plan defined in Section 4021(a) of ERISA in respect of which the Institution, a Subsidiary of the Institution is an "employer" or a "substantial employer" as defined in Sections 3(5) and 4001(a)(2) of ERISA, respectively.

"Pledged Collateral" shall have the meaning given such term in the Pledge and Security Agreement.

"Pledge and Security Agreement" means the Pledge and Security Agreement, dated as of June 30, 2014, by the Institution and in favor of the Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Prime Rate" shall mean the variable rate of interest equal to the Prime Rate as reported in the Money Rates section of The Wall Street Journal, from time to time. In the event the Prime Rate published in The Wall Street Journal is no longer available, the Bank shall choose a new index that is based upon comparable information. The Bank shall give notice to the Institution of any such new index. The Prime Rate is not necessarily the lowest or best rate of interest offered by the Bank to the Institution or any class of borrowers.

"Project" shall have the meaning assigned to such term in the third (3<sup>rd</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

"Project Costs" or "Costs of the Facility" shall have the meaning assigned to such term in the third (3<sup>rd</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

"Project Fund" shall have the meaning assigned to such term in Section 4.01 hereof.

"Project Jurisdiction" means laws of the jurisdiction in which the Project is located.

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

"Property Approval Letters" means those certain approval letters from the applicable Governmental Authorities, each with respect to the Mortgaged Property.

"Rebate Amount" shall have the meaning assigned to such term in the Tax Compliance Agreement.

“Reportable Event” means any reportable event as that term is defined in ERISA.

“SEQRA” means the State Environmental Quality Review Act, as amended and the regulations thereunder.

“Series 2014 Bonds” or “Series 2014C-1 Bonds” or “Series 2014 C-2 Bonds” or “Bonds” or “Bond” shall have the meaning assigned to such term in the third (3<sup>rd</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

“State” shall have the meaning assigned to such term in the first (1<sup>st</sup>) WHEREAS paragraph of this Bond Purchase Agreement.

“Subsidiary” means with respect to any Person at any time, (i) any corporation more than fifty percent (50%) of whose voting stock is legally and beneficially owned by such Person or owned by a corporation more than fifty percent (50%) of whose voting stock is legally and beneficially owned by such Person; (ii) any trust of which a majority of the beneficial interest is at such time owned directly or indirectly, beneficially or of record, by such Person or one or more Subsidiaries of such Person; and (iii) any partnership, joint venture, limited liability company or other entity of which ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at such time owned directly or indirectly, beneficially or of record, by, or which is otherwise controlled directly, indirectly or through one or more intermediaries by, such Person or one or more Subsidiaries of such Person.

“Taxable Rate” and/or “Default Rate” means the greater of five percent (5.00%) in excess of the Prime Rate or eight percent (8.00%) but in no event higher than the maximum lawful prevailing rate.

“Tax Compliance Agreement” means the Tax Compliance Agreement, dated the Closing Date, executed by the Institution and the Issuer regarding, among other things, the restrictions prescribed by the Code in order for interest on the Bonds to remain excludable from gross income for federal income tax purposes.

“Tax Incidence Date” means the first date on which, as a result of an Event of Taxability, interest on the Series 2014C-1 Bonds is includable in the gross income of the recipient thereof for Federal income tax purposes.

“Upfront Fee” means \$8,745.00.

“USA Patriot Act” means the USA Patriot Act of 2001, Pub. L. No. 107-56 (signed into law October 26, 2001), as amended from time to time.

“Unassigned Rights” means (i) the rights of the Issuer under 4.09, 4.14, 4.15, 4.16, 4.17, 4.19, and 7.10 hereunder; (ii) the monies due and to become due to the Issuer for its own account or the members, officers, agents (other than the Institution) and employees of the Issuer for their



own account; and (iii) the right to enforce the foregoing pursuant to this Bond Purchase Agreement.

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

(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 the Bonds at their respective stated maturity.

(c) All references herein to particular articles or sections are references to articles or sections of this Bond Purchase Agreement.

(d) The table of contents and headings of the several Sections herein are solely for convenience of reference and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Bond Purchase Agreement.

(e) The use of the neuter gender shall include the masculine and feminine genders as well.

(f) References to documents and agreements shall include same as amended, restated, supplemented or otherwise modified from time to time.

## ARTICLE II

### REPRESENTATIONS BY AND COVENANTS OF THE ISSUER, THE INSTITUTION AND THE BANK

Section 2.01 Representations by the Issuer. The Issuer represents and warrants that:

(a) The Issuer is a not-for-profit corporation under the laws of the State, duly organized and existing as such under the Constitution and the laws of the State;

(b) The Issuer has full power and authority to issue and sell the Bonds to finance the Cost of the Facility and to pay the costs of such financing as is provided in this Bond Purchase Agreement, to secure the Bonds in the manner provided in this Bond Purchase Agreement, and the Issuer has taken all actions and obtained all approvals required by the Act;

(c) The Issuer has duly adopted the Bond Resolution and has duly authorized the execution and delivery of each of the Issuer Documents, and the issuance and sale of the Bonds, and has taken all actions necessary or appropriate to carry out the same;

(d) The Issuer is not aware of any litigation or proceeding pending or, to the Issuer's knowledge, threatened against the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bonds or the Issuer Documents;

(e) The consummation of the transactions contemplated by the Bond Resolution and this Bond Purchase Agreement and the performance of the Issuer Documents will not result in any breach of, or constitute a default under, the Act or any mortgage, deed or trust, lease, bank loan or credit agreement, order or judgment, by-law or other instrument or document to which the Issuer is a party or by which it may be bound or affected; and

(f) The Issuer has not made and does not intend to make in connection with the Project or the sale of the Bonds to the Bank or otherwise any inquiry concerning the financial position or business condition of the Institution. The Issuer makes no warranty or representation as to the financial position or business condition of the Institution and does not represent or warrant as to any of the statements, materials, representations or certifications (financial or otherwise) made or furnished, or to be made and furnished by the Institution in connection with the Project or the sale of the Bonds to the Bank or the making of disbursements hereunder or otherwise or as to the correctness, completeness or accuracy of such statements, materials, representations or certificates.

Section 2.02 Covenants of the Issuer. Subject to Section 7.10 hereof, the Issuer hereby agrees with the Bank and the Institution that, so long as the Bonds remain unpaid:

(a) The Issuer will take no action and, to the extent of its ability to do so, will suffer no action to be taken to terminate its existence;

(b) The Issuer will use or cause to be used the Net Proceeds of the Bonds only to pay the Cost of the Facility;

(c) The Issuer will take all action and do all things which 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 Bonds and each of the Issuer Documents and in order to provide for and to assure payment of the Bonds and interest thereon when due;

(d) The Issuer will not create, assume or suffer to exist any assignment, mortgage, pledge, security interest or other lien, encumbrance or charge on (i) the Facility, other than Permitted Encumbrances, (ii) any revenues derived or to be derived from the Bonds or (iii) the Bond Proceeds, other than the Issuer Documents;

(e) The Issuer will not take any action impairing any authority, right or benefit given or conferred by the Bond Resolution, this Bond Purchase Agreement or any of the other Bond Documents;

(f) The Issuer will pay or cause to be paid the principal of, premium, if any, and the interest on the Bonds as the same become due, but solely to the extent provided in Section 7.10 hereof;

(g) The Issuer will at the Institution's sole cost execute, acknowledge, when appropriate, and deliver from time to time at the request of the Bank such instruments and documents (in form and substance reasonably acceptable to the Issuer) as in the opinion of the Bank are necessary or desirable to carry out the intent and purpose of the Bond Documents; and

(h) The Issuer will promptly notify the Bank of the occurrence of any Event of Default of which it has actual knowledge.

Section 2.03 Representations by the Institution. The Institution makes the following representations, all of which will survive the purchase of the Bonds:

(a) The Institution is a not-for-profit corporation duly organized, existing and in good standing under the laws of the State of New York and an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation pursuant to Section 501(a) of the Code, is not in violation of any provision of its certificate of incorporation and its by-laws, has the requisite power and authority to own its Property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Bond Purchase Agreement and each other Financing Document to which it is or shall be a party.

(b) The financial statements, if any, and other documents provided directly to the Bank and/or the Issuer are correct and complete in all material respects and fairly represent the financial condition of the Institution as of the date indicated, and have been prepared in conformity with GAAP.

(c) Neither the Institution nor anyone acting on its behalf has, directly or indirectly, offered the Bonds for sale to, or solicited any offer to buy the same from, anyone other than the Bank except for offers made to any Accredited Investors, as such term is defined in Rule 501(a) as promulgated under the Securities Act of 1933, as amended.

(d) Each of the Institution Documents, when executed and delivered by the respective parties thereto, will constitute valid and binding obligations of the Institution enforceable in accordance with their terms, except as such enforcement may be limited by applicable state or Federal laws affecting the enforcement of creditors' rights generally and by equitable limitations on the availability of specific remedies. The execution and delivery by the Institution of the Institution Documents and the performance by the Institution of its obligations thereunder will not conflict with, or result in any breach of, or constitute a default under any indenture, mortgage, deed of trust, bank loan or credit agreement or any other agreement or instrument to which the Institution is a party or by which it or any of its property may be bound or affected for which a valid consent has not been secured; nor is any approval nor any action by any Governmental Authority required in connection with the execution and performance thereof by the Institution.

(e) There has been no material adverse change in the business, properties or financial condition of the Institution since the date of the most recent financial statements of the Institution and/or other documents provided to the Bank and/or the Issuer.

(f) There are no actions, suits or proceedings pending before any court, quasi-governmental body or administrative agency which have been served on the Institution or, to the knowledge of the Institution, are otherwise pending or threatened against the Institution:

- (i) to enjoin the performance of the obligations of the Institution, the installation or equipping of the Project or the operation of the Project;
- (ii) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection and pledge of Pledged Collateral or any payments to be made by the Institution pursuant to this Bond Purchase Agreement and the Pledge and Security Agreement;
- (iii) to contest the validity of any of this Bond Purchase Agreement, or the Institution Documents, or the liens created by the Institution Documents;
- (iv) in any way contesting the corporate existence or powers of the Institution;
- (v) which, if determined adversely to it, could reasonably be expected to have a material adverse effect on the consummation of the transactions contemplated by the Institution Documents or the financial condition, assets or properties of the Institution;
- (vi) relating to any liability under any Environmental Laws; or
- (vii) the status of the Institution as a tax-exempt organization.

(g) The Institution is presently not in default in a material respect under any indenture, mortgage, deed of trust, bank loan or credit agreement to which the Institution is a party in any respect that is material in light of the financial condition of the Institution and there exists no condition, event or act which constitutes, or after notice or lapse of time or both would constitute an Event of Default.

(h) The Institution will apply the proceeds from the sale of the Bonds for the sole purpose of providing funds for paying the Cost of the Facility in accordance with this Bond Purchase Agreement and Article IV hereof.

(i) All authorizations, certificates and permits necessary for the Project in accordance with applicable building codes and Environmental Laws have been obtained and are in full force and effect, and all site preparation and construction work, if any, done to date has been done in accordance with said authorizations, certificates, permits, codes and laws and that the proposed or actual use of the Facility will comply with all applicable laws, statutes, codes, ordinances, rules and regulations, including Environmental Laws and that there is no action or proceeding pending before any court, quasi-governmental body or administrative agency relating to the validity of this Bond Purchase Agreement or the transactions contemplated hereby.

(j) The Institution has fee title to the Facility free and clear of all liens, pledges, mortgages, security interests, charges, claims and other encumbrances, except the Permitted Encumbrances. The Institution has good title to all Pledged Collateral pledged to the Bank, free and clear of all liens, pledges, mortgages, security interests, charges, claims and other encumbrances except Permitted Encumbrances. The Bond Documents create or will create a valid and prior lien or security interest in favor of the Bank in all Pledged Collateral and Mortgaged Property pledged to the Bank, subject to no other liens or encumbrances arising by, through or under the Institution or any other person, except for the Permitted Encumbrances.

(k) Except for liens in favor of the Bank or the Issuer and except for Permitted Encumbrances, the real property and all other property and assets of the Institution are free from any liens or encumbrances of any kind. Each lease to which the Institution is a party is in full force and effect, no material default on the part of any party thereto exists, and, as to each of such leases to which the Institution is party as lessee, the Institution enjoys peaceful and undisturbed possession of the property affected thereby. As of the date hereof, no part of the Mortgaged Property has been damaged by fire, explosion, accident, flood or other casualty. The Mortgaged Property and its use complies with all applicable laws, rules and regulations, including, but not limited to, the requirements for equal opportunity, anti-discrimination, zoning resolutions and building codes.

(l) No Reportable Event or Prohibited Transaction (as defined in Section 4975 of the Code) has occurred and is continuing with respect to any Plan and the Institution has not incurred any "accumulated funding deficiency" as such term is defined in Section 302 of ERISA.

(m) The Institution has filed all tax returns which are required to be filed and has paid, or has made adequate provision for the payment of, all taxes which have or may become due pursuant to said returns or to assessments received by them. The Institution knows of no deficiency assessment or proposed deficiency assessment of taxes against the Institution, except as may be otherwise disclosed in writing to the Bank prior to the date hereof.

(n) The Institution does not have outstanding on the date hereof any Indebtedness for borrowed money, except (i) for such Indebtedness reflected on the financial statements previously delivered to the Bank, and (ii) Indebtedness in connection with the Bonds.

- (o) The Institution has no subsidiaries except as disclosed to the Bank in writing.
- (p) To the Institution's knowledge,
  - (i) no Property of the Institution is in violation of any Environmental Laws, and
  - (ii) the Institution has received all permits and filed all notifications necessary to carry on its business in compliance with all applicable Environmental Laws.
- (q) The Institution hereby represents and warrants that:
  - (1) The Institution is not in violation of any Anti-Terrorism Law or engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.
  - (2) The Institution is not any of the following (each a "Blocked Person"):
    - (i) a Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;
    - (ii) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224;
    - (iii) a Person or entity with which the Bank is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;
    - (iv) a Person or entity that commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order No. 13224;
    - (v) a Person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control ("OFAC") at its official website: <http://www.treas.gov/ofac/t11sdn.pdf> or any replacement website or other replacement official publication of such list;
    - (vi) a Person who is affiliated with a Person listed above; or
    - (vii) a Person who is listed on any other list of terrorist or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable executive order. The above-referenced lists contained in this Section 2.03(r) are collectively referred to as the "OFAC Lists".

The Institution does not (i) conduct any business or engage in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person or (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224.

(r) The Mortgaged Property has adequate water, gas and electrical supply, storm and sanitary sewerage facilities, other required public utilities, to conduct its business and means of access between the Mortgaged Property and public highways.

(s) (i) No condemnation of any portion of the Mortgaged Property, (ii) no condemnation or relocation of any access roadways abutting the Mortgaged Property, and (iii) no proceeding to deny access to the Mortgaged Property from any point of access to the Mortgaged Property has commenced or is contemplated by any Governmental Authority.

(t) The Institution maintains insurance with reputable insurers for the Mortgaged Property in such amounts and against such risks as is required in this Bond Purchase Agreement, the Institution Documents and the Bond Documents and as is customarily maintained by other Persons of similar size engaged in similar business, including, but not limited to, general liability insurance and professional liability insurance, property coverage and excess liability in form and substance satisfactory to the Bank and Issuer. Copies of all policies of insurance or certificates thereof (or other evidence thereof satisfactory to the Bank and Issuer) have been made available to the Bank and Issuer on or before the Closing Date.

(u) Neither this Bond Purchase Agreement nor any other document, certificate or statement furnished to the Bank or the Issuer by or on behalf of the Institution contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.

(v) The Institution has not within the six (6) year period immediately preceding the date of this Bond Purchase Agreement changed its name, been the surviving entity of a merger or consolidation or acquired all or substantially all the assets of any other person or entity except Epilepsy Foundation of Long Island, Inc. The Institution does not conduct business under any name other than its corporate name.

(w) The Institution maintains all approvals of Governmental Authorities for the operation of its business as currently conducted.

(x) The Institution covenants and agrees that it will not have a loan or loans outstanding under the HSBC Revolving Loan in an aggregate amount exceeding \$1,000,000. The Institution agrees that it shall terminate the HSBC Revolving Loan within sixty (60) days after the Closing Date and enter into a line of credit arrangement with the Bank.

The Institution agrees that all of the representations and warranties set forth herein and elsewhere in this Bond Purchase Agreement are true as of the date hereof, will be true at the Closing Date and, except for matters which have been disclosed by the Institution and approved by the Bank in writing, at all times thereafter. At the Bank's request, the Institution shall reaffirm such representations and warranties in writing.

#### Section 2.04 Covenants of the Institution.

(a) The Institution agrees to provide or cause to be provided insurance or evidence of insurance as the Bank may request in its sole discretion and as otherwise required pursuant to Section 4.14 hereof. The original policies of insurance or certificates thereof shall be deposited with the Bank.

(b) The Institution shall comply with the covenants set forth on the Compliance Schedule and shall furnish or shall cause to furnish to the Bank financial documentation as and at the times as set forth in the Compliance Schedule.

(c) The Institution shall abide by the covenants set forth on the Compliance Schedule.

(d) The Institution shall not create, assume or suffer to exist any assignment, mortgage, pledge, security interest or other lien, encumbrance or charge upon its interest in the Facility, other than as described herein and other than Permitted Encumbrances, nor shall it assign its interest in the Facility, without the prior written consent of the Bank.

(e) The Institution will indemnify the Bank and the Issuer from claims of brokers engaged by the Institution arising by reason of the execution hereof or the consummation of transactions contemplated hereby and from expenses incurred by the Bank or the Issuer in connection with any such claims (including reasonable attorneys' fees).

(f) The Institution will, upon request of the Bank, furnish the Bank with evidence satisfactory to the Bank, showing payment of all bills and charges for which advances of the Bond Proceeds have been previously made. It shall also deliver to the Bank, upon request, such bills, receipts, invoices and other evidence as may be reasonably required by the Bank to substantiate the actual incurrence by the Institution of items constituting the Project Costs.

(g) The Institution and its agents shall not (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order No. 13224, (iii) permit the transfer of any interest in either the Institution or its agents to any Blocked Person or any beneficial owner of such Blocked Person or (iv) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order No. 13224 or the USA Patriot Act. The Institution acknowledges that pursuant to the requirements of the USA Patriot Act, the Bank 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 Bank to identify the Institution in accordance with the USA Patriot Act. The Institution shall deliver to the Bank any certification or other evidence requested from time to time by the Bank, in its sole discretion, confirming the Institution's compliance with this subsection(s). The Institution shall immediately notify the Bank if the Institution has any knowledge that any member of or beneficial owner of the Institution is listed on the OFAC Lists, or is indicated on or arraigned and held over on charges involving money laundering or predicate crimes to money laundering.



(h) The Institution shall promptly give notice to the Bank and the Issuer (a) of the occurrence of any Event of Default hereunder, (b) of any event of default under any material instrument or other agreement of the Institution, (c) of any litigation, proceeding, investigation or dispute which may exist at any time affecting the Institution which might result in a Material Adverse Effect, and (d) of any material alterations in the nature of its business and any change in management of the Institution.

(i) The Institution shall preserve in full force and effect its New York not-for-profit existence and solvency, and comply with all laws applicable to it. The Institution shall maintain and protect all permits, licenses, franchises and trade names and preserve all of its assets used or usable in the conduct of its business and keep the same in good repair and working order.

(j) The Institution shall keep books of records and account in which full, true and correct entries in conformity with GAAP shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of the Bank and the Issuer to visit and inspect any of its properties and examine and make abstracts from any of the books and records of the Institution, provided that prior to the occurrence and continuing of an Event of Default such visits, inspections and examinations will be during reasonable business hours on reasonable notice, accompanied by a representative of the Institution. The Institution's chief financial officer shall, at the reasonable request of the Bank and/or the Issuer, discuss the Institution's financial matters with the Bank and/or the Issuer or a designee of the Bank and/or the Issuer and provide the Bank and/or the Issuer with copies of any documents reasonably requested by the Bank and/or the Issuer or its designee. The Institution shall provide the Bank with copies of any documents furnished by the Institution to the Issuer or any credit rating service or, at the request of the Bank, any lender to the Institution, which documents may adversely affect the interests of the Bank with respect to the transactions contemplated by this Bond Purchase Agreement.

(k) The Institution shall maintain compliance with all provisions and regulations of ERISA, as amended, and published interpretations thereunder.

(l) The Institution shall not, without the prior written consent of the Bank, permit or suffer (a) an amendment or modification of its certificate of incorporation or bylaws or (b) any dissolution or termination of its existence.

(m) Upon the Bank and/or the Issuer's request, the Institution shall provide the Bank and/or the Issuer with copies of all inspections, reports, test results and other information received by the Institution which in any material way relate to the Institution or its Mortgaged Property.

(n) The Institution's Authorized Representative shall deal with the Bank on behalf of the Institution in respect of any and all matters in connection with this Bond Purchase Agreement, the Bond Documents and the obligations of the Institution hereunder. The Authorized Representative shall have the power, in his/her discretion, to give and receive all notices, moneys, approvals and other documents and instruments, and to take another action on behalf of the Institution. All actions by the Authorized Representative shall be final and binding on the Institution. The Bank may rely on the authority given to the Authorized Representative

until actual receipt by the Bank of a duly authorized resolution substituting a different person as the Authorized Representative. No more than one person shall serve as Authorized Representative at any given time for purposes of this Section.

(o) The Institution shall comply with all applicable requirements (including applicable laws) of any Governmental Authority having jurisdiction over the Institution or the Mortgaged Property.

(p) The Institution shall not materially change or alter its ownership, legal structure, nature of its business from the business currently engaged in or its executive management, without prior written notification to the Bank and the Issuer.

(q) Except as otherwise permitted herein, the Institution shall not create, incur or assume any obligations for the rental, hire or lease of real or personal Mortgaged Property, other than in connection with the leasing of computers, phone systems and other equipment necessary in the ordinary course of its business. Nothing herein shall prohibit Institution from continuing leases for both real and personal property currently in place (or replacing such leases with similar leases in similar locations for similar equipment) on arm's length, commercially reasonable terms.

(r) The Institution shall not permit any material change in the accounting policies and procedures of the Institution, other than as required by GAAP, including a change in the Institution's Fiscal Year, without the prior written consent of the Bank.

(s) The Institution will promptly notify the Bank and the Issuer in writing of (a) any event which, if existing at the date hereof, would require qualification of the representations and warranties set forth herein in any material respect; (b) any Material Adverse Effect of which the Institution has actual knowledge; and (c) the commencement of any proceeding against the Institution or its Mortgaged Property seeking damages in excess of \$50,000 which is not otherwise covered by insurance.

(t) The Bank and/or the Issuer, at the Institution's expense, may take all necessary action to maintain and preserve the lien and security interest created by the Bond Documents in accordance with the terms thereof.

(u) The Institution shall (i) maintain all licenses, certifications, permits and necessary approvals from any Governmental Authority required to lawfully conduct the operation of its business and (b) provide the Bank and the Issuer with copies of any final third party audit reports, which are material to Institution's operations, including reports by the New York State Office of Persons With Developmental Disabilities or other material regulatory communications.

(v) The Institution shall keep the Mortgaged Property in good condition and repair, ordinary wear and tear excepted.

(w) The Institution will cooperate with the Bank and/or the Issuer and execute, acknowledge (if appropriate) and deliver such further instruments and documents, and take such other action as the Bank and/or the Issuer shall reasonably request to carry out to its satisfaction the transactions contemplated by this Bond Purchase Agreement and the Bond Documents.

(x) The Institution shall comply with all applicable Environmental Laws and shall immediately notify the Bank and the Issuer of any actual or alleged failure to comply with or perform, breach, violation or default under any applicable Environmental Laws or the occurrence of any Environmental Event.

(y) Institution agrees to permit Bank and its appraisers to have access to the Mortgaged Property, in order to obtain a current Appraisal of the Mortgaged Property, not more than once every calendar year; provided however; there shall be no limitation on obtaining current Appraisals of the Mortgaged Property during the occurrence of an Event of Default, which Appraisals shall be at the sole cost and expense of Institution, and Institution shall reimburse Bank for same within ten (10) days of demand.

(z) The Institution shall not guarantee, endorse, become surety for, or otherwise in any way become or be responsible for the obligations of any Person, whether by agreement to purchase the Indebtedness of any other Person whether for working capital maintenance, or whether by agreement for the furnishing of funds, directly or indirectly, through the purchase of goods, supplies or services for the purpose of discharging the Indebtedness of any other Person or otherwise, or enter into or be a party to any contract for the purchase of merchandise, materials, supplies or other property if such contract provides that payment for such merchandise, materials, supplies or other property shall be made regardless of whether delivery of such merchandise, supplies or other property is ever made or tendered except endorsements of negotiable instruments for collection or deposit in the ordinary course of business, guaranties of the debt of one another provided such debt is incurred as permitted hereunder, and other guaranties in favor of the Bank.

(aa) Institution shall not enter into any transaction with any Subsidiary or other Affiliate, including, without limitation, the purchase, sale, or exchange of Property, or the loaning or giving of funds to any Affiliate or any Subsidiary unless: (i) such Subsidiary or Affiliate is engaged in a business substantially related to the business conducted by Institution, is a borrower hereunder and the transaction is in the ordinary course of and pursuant to the reasonable requirements of Institution's business and upon terms substantially the same and no less favorable to Institution as it would obtain in a comparable arm's length transactions with any Person not an Affiliate or a Subsidiary, and so long as such transaction is not prohibited hereunder; or (ii) such transaction is intended for incidental administrative purposes.

(bb) Institution shall pay each year its participation fee to the Alliance of Long Island Agencies. Failure to make such payment shall not constitute an Event of Default hereunder.

(cc) Institution shall not make or have outstanding loans, advances, extensions of credit or capital contributions to, or investments in, any Person other than Permitted Investments.

**Section 2.05 Representations by and Covenants of the Bank.** The Bank represents to and covenants and agrees with the Issuer that:

(a) The Bank has had an opportunity to make such investigations and has had access to such information with respect to the Institution and its affairs and condition, financial and otherwise, which the Bank has deemed necessary in connection with and as a basis for the

purchase of the Bonds, and any and all information relating to the Institution and its affairs which the Bank has requested has been provided to the Bank.

(b) The Bank has approved the Bonds, the Bond Resolution and each of the Bond Documents, and such documents contain the terms agreed to by the Bank.

(c) The Bonds have been purchased for the account of the Bank for investment and not with a present view to the distribution, transfer or resale thereof. The Bank intends to hold and book the Bonds as a loan in its loan portfolio; the Bank acknowledges that the use of the word "Bond" or "Bonds" in the name of the debt instrument is for convenience only and is not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933. The Bank intends to hold such Bonds for its own account and for an indefinite period of time and does not intend to dispose of all or any portion of such Bonds and understands that transfer of such Bonds is restricted pursuant to the terms of this Bond Purchase Agreement. The Bank agrees to notify the Issuer and the Institution at least thirty (30) days in advance in writing of any proposed transfer or resale of the Bonds or any portion thereof and to furnish to them prior to any such transfer or resale (i) an opinion of Bond Counsel that such transfer or resale does not and will not require registration of the Bonds under any applicable federal and state securities laws and (ii) a certificate of the purchaser of the Bonds to the effect that such purchaser has been provided with all requested disclosure information by the Institution. In the event such transfer is at the request of the Institution, the Institution shall pay all expenses incurred by the Bank, including reasonable attorneys' fees, in connection with such transfer or resale and the cost of obtaining the opinion of Bond Counsel referred to above. If the proposed transfer of the Bonds is other than at the request of the Institution, the Bank will bear such costs and expenses.

(d) The Bank understands that (i) the Bonds being purchased shall be special obligations of the Issuer payable solely from certain of the revenues and receipts derived by the Issuer pursuant to this Bond Purchase Agreement and the other security given for the payment of the Bonds, (ii) the Issuer has no power of taxation, and (iii) that the Issuer makes no representation or warranty, express or implied, with respect to the merchantability, condition or workmanship of any part of the Facility or the suitability of the Facility for the Institution's purposes or needs or the extent to which the proceeds derived from the sale of the Bonds will be sufficient to pay the Cost of the Facility.

(e) The Bank has not requested or received from the Issuer any information which it, as a reasonable investor, deems important in reaching its investment decision to purchase the Bonds. It has received from the Institution and not the Issuer whatever information requested with respect to the Institution and the Facility which it deems as a reasonable investor important in reaching its investment decision to purchase the Bonds. The Bank acknowledges that neither the Issuer nor its counsel nor Bond Counsel have made any investigation or inquiry with respect to the affairs or condition, financial or otherwise, of the Institution and that the Issuer, its Counsel and Bond Counsel do not make any representations to the Bank with respect to the adequacy, sufficiency or accuracy of any financial statements and information or other information provided to the Bank or with respect to the ability of the Institution to pay the Bonds or fulfill its obligations with respect to the transactions contemplated in connection therewith. The Bank is not relying on any statements or representations by the Issuer with respect to: (i) the

financial condition of the Institution, (ii) the creditworthiness of the Institution, (iii) the competency or integrity of the management of the Institution, or (iv) the suitability of the Facility for the Institution's business. The Bank has made an independent evaluation of the facts listed above without reliance upon any evaluation or investigation by the Issuer, its counsel or Bond Counsel as to any of them, except to the extent such facts are specifically opined upon by the Issuer's counsel or Bond Counsel in their respective opinion letters to be delivered to the Bank on the Closing Date.

(f) The Bank has not relied upon the determination of the Issuer to issue the Bonds to finance the Project for any purpose in connection with its evaluation of the Institution's financial condition, creditworthiness and competency, or of the integrity of the Institution's management, or of the suitability of the Facility for the Institution's business.

The covenants made by the Bank in this Section 2.05 are for the benefit of the Issuer only and no other party, including, without limitation, the Institution, may rely on or benefit therefrom, notwithstanding any other provision of this Bond Purchase Agreement.

## ARTICLE III

### CLOSING AND PURCHASE AND SALE OF BONDS

Section 3.01 Closing Date, Loan Of Bond Proceeds. On June 30, 2014, or on such other date as the Issuer, the Bank and the Institution may mutually agree upon, the Bank agrees to provide to the Issuer the proceeds of the Bonds in the aggregate principal amount of \$1,749,000 (i) upon receipt of the Bonds in such principal amounts and (ii) subject to the terms and conditions of this Bond Purchase Agreement.

The Issuer agrees to loan the proceeds of the Bonds to the Institution and the Institution agrees to pay to the Bank the principal of and interest on the Bonds and all other amounts due hereunder in accordance with the terms of this Bond Purchase Agreement and the Bonds.

Section 3.02 Conditions Precedent to Closing. The obligation of the Bank to make the loan contemplated by this Bond Purchase Agreement, to purchase the Bonds and to make advances in accordance with Article IV hereof and this Bond Purchase Agreement shall be subject to receipt by the Bank of all documents and assurances required by the Bank and the receipt by the Bank of each of the following in form and substance reasonably satisfactory to the Bank and its counsel:

(a) The original, executed typewritten Bonds and executed originals of all of the other Bond Documents.

(b) Evidence satisfactory to the Bank and its counsel as to:

(i) the valid corporate existence of the Issuer;

(ii) the due authorization and execution by, and the valid and binding affect upon, the respective parties thereof of each of the Bond Documents; and

(iii) no litigation materially affecting the business, operations, properties, assets or business prospects of the Issuer, the Institution; and no required consents and no defaults by the Issuer or the Institution.

(c) A certified copy of the Bond Resolution.

(d) An opinion of counsel to the Issuer as to the valid corporate existence of the Issuer, the due authorization, execution and delivery by the Issuer of the Bonds and the other Issuer Documents, the absence of material litigation involving the Issuer and such other matters as the Bank, its counsel or Bond Counsel may reasonably request.

(e) An opinion or opinions of counsel to the Institution as to the valid corporate existence of the Institution, the due authorization, execution and delivery by the Institution of the Bond Documents to which it is a party, the absence of material litigation involving the Institution or the Facility and such other matters as the Bank, its counsel or Bond Counsel may reasonably request.

(f) An opinion of Phillips Lytle LLP as Bond Counsel, as to the due existence and authority of the Issuer; the valid issuance of the Bonds under the Bond Resolution and the Act; the exclusion from gross income for Federal income tax purposes of interest payable on the Bonds, and the exemption from registration of the Bonds under the Securities Act of 1933, as amended.

(g) Binders for insurance providing coverage required by Article IV hereof.

(h) An Appraisal prepared for the Bank, by an appraiser acceptable to the Bank, of the Facility on an "as completed" basis.

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

(j) Evidence that the issuance of the Bonds for the purpose of financing the Facility has been approved by the Applicable Elected Representative after a public hearing held upon reasonable notice.

(k) Evidence satisfactory to the Bank and its counsel as to (i) the methods of access to and egress from the Facility, and nearby or adjoining public ways, meeting the reasonable requirements of property of the type contemplated to be completed and the status of completion of any required improvements to such access; (ii) the availability of storm and sanitary sewer facilities meeting the reasonable requirements of the Facility; (iii) the availability of all other required utilities, in location and capacity sufficient to meet the reasonable needs of the Facility; and (iv) the securing of all governmental approvals from each applicable governmental authority which are required under applicable requirements for the construction, reconstruction and equipping of the Facility, together with copies of all such governmental approvals.

(l) Evidence satisfactory to the Bank that the zoning of the Mortgaged Property permits the use and operation of the Facility as proposed.

(m) A copy of the certificate of incorporation of the Institution and any amendments thereto.

(n) The executed Bonds and executed counterparts of all the Bond Documents.

(o) A certified copy of the fully executed by-laws of the Institution, in form and substance satisfactory to the Bank and certificates of good standing relating to the Institution.

(p) A resolution (or unanimous written consent) of the appropriate governing body of the Institution authorizing the execution and delivery of the Financing Documents to which the Institution is a party in form and substance satisfactory to the Holder.

(q) Evidence satisfactory that (i) all real estate taxes, assessments and water and sewer charges levied or assessed against the Mortgaged Property and/or the improvements thereon have been paid in full, and (ii) there is not then pending by or against the Institution, any petition for reorganization or arrangement under any bankruptcy or insolvency law, or any other action brought under such laws.

(r) Evidence satisfactory that (i) the outstanding Mortgage Loan has been completely paid off and (ii) any and all documents executed in connection with the Mortgage Loan have been satisfied or terminated of record, as applicable.

(s) Payment by the Institution of all fees and expenses incurred by Bank and Issuer in connection with this Bond Purchase Agreement, the Institution Documents, the Bond Documents and the transactions contemplated herein and therein, including, without limitation, the fees related to the Bank's and Issuer's attorneys' fees and disbursements.

(t) Receipt by Bank of the Up Front Fee.

(u) Evidence satisfactory that no litigation or proceedings are pending or threatened which would or might cause a Material Adverse Effect and if any outstanding judgment or pending lawsuit exists, the Institution shall provide an explanation, satisfactory to the Bank and Issuer, of such judgment or lawsuit.

(v) Mortgagee's title insurance policy to be dated the Closing Date, and issued by a title insurance company acceptable to the Bank and the Issuer. Such title insurance policy shall (i) be in an amount equal to the Series 2014 Bonds; (ii) insure that the Mortgage creates a valid lien on the Mortgaged Property, and all without title insurance exceptions (unless otherwise agreed to by the Bank and the Issuer), including but not limited to, (a) mechanics' liens, (b) parties in possession, (c) rights of reverter, (d) declarations of restrictive covenants, (e) any other standard exceptions, and (f) reservation for creditor's rights, (iii) name the Issuer and Bank, as their interests shall appear, as the insured party thereunder; (iv) be in the form of ALTA form of mortgage loan policy; and (v) contain such endorsements and effective coverage as the Bank and the Issuer deem appropriate. The Bank shall also have received evidence on the Closing Date that all premiums in respect of such policy have been paid.

(w) A current boundary survey of the Mortgaged Property acceptable to the Bank and the Issuer, and certified in a manner satisfactory to Bank and the Issuer by a licensed surveyor acceptable to Bank, showing the legal description, courses and distances of the Mortgaged Property line, and such other matters as Bank and the Issuer may reasonably require and showing no state of facts objectionable to Bank or the Issuer. The survey shall also show all encroachments, and the lines, the distance to, and the names of the nearest intersecting streets, and such other details as the Bank or the Issuer may request.

(x) Evidence satisfactory to the Bank, in its sole discretion, that the Mortgaged Property is not located in an area identified by the Secretary of Housing and Urban Development as an area located in a flood plain or special flood hazards zone pursuant to the National Flood Insurance Act of 1968 or pursuant to the Flood Disaster Act of 1973 or the National Flood Insurance Reform Act of 1994, or any successor law and in the event the Mortgaged Property or any portion thereof is located in a flood plain or in a flood hazard zone, Institution shall deliver to the Bank and Issuer a certificate of insurance evidencing flood hazard insurance (if available) in form and indicating an amount acceptable to the Bank and Issuer.

(y) Evidence satisfactory that any documents (including, without limitation, financing statements) required to be recorded or filed in order to create, in favor of the Bank or the Issuer



as the case may be, a perfected Lien on and security interest in all collateral covered by the Mortgage and the other Bond Documents, as applicable, will be properly recorded and/or filed in each office in each jurisdiction required in order to create, in favor of the Bank or the Issuer, as the case may be, a perfected Lien on and security interest in the respective collateral described therein. The Bank shall have received evidence of all such recordations and acknowledgment copies of all such filings (or, in lieu thereof, the Bank shall have received other evidence satisfactory to the Bank that all such filings have been made or will be made), and the Bank shall have received evidence that all necessary recordation and filing fees and all documentary taxes or other expenses related to such filings or recordations have been paid in full.

(z) True and complete copies of all permanent and temporary certificates of occupancy affecting and covering the Mortgaged Property.

(aa) Fully executed copies of mortgage satisfaction documents, UCC-3 termination statements and any other releases that may be necessary to satisfy any existing Liens on the Mortgaged Property (including a payoff letter, if applicable).

(bb) The Environmental Report for the Mortgaged Property in form and substance satisfactory to the Bank. The results of such Environmental Report shall be satisfactory to the Bank in its sole and absolute discretion. The Institution shall also provide any and all subsequent reports or perform any and all subsequent actions which may be determined by the Bank to be necessary based upon the results of the Environmental Report.

(cc) Prior Property Approval Letters for the Mortgaged Property (if applicable).

(dd) Such other documents, instruments, certificates, opinions, assurances, consents or approvals as the Bank or its counsel may otherwise request.

It is a condition to the Bank's obligation to purchase the Bonds that the following statements shall be true and correct on the date of the Closing Date:

(a) that the representations and warranties contained in or incorporated into Article II hereof are correct on and as of the date of purchase of the Bonds as though made on and as of such date;

(b) that no Event of Default hereunder has occurred and is continuing or could result from the transactions contemplated by this Bond Purchase Agreement, the Institution Documents or the Bond Documents; and

(c) no Material Adverse Effect has occurred since June 30, 2013.

By its execution of this Bond Purchase Agreement below, Institution confirms that the statements set forth in clauses (a), (b) and (c) above are true and correct as of the Closing Date.

### Section 3.03 Provisions Relating to Exchange of Bonds.

(a) The Bonds shall be issued in fully registered form, shall be payable in accordance with the provisions of the Bonds to the registered owner thereof as shown on the records maintained by the Issuer for the registration and transfer of the Bonds and shall be substantially in the form set forth in Exhibit A attached hereto.

(b) So long as the Bonds shall be outstanding, the Bank shall maintain the bonds for registration and transfer at the Bank's office. The Bank is hereby appointed, and by executing this Bond Purchase Agreement hereby accepts such appointment, as Bond Registrar. The Bank, as Bond Registrar, shall register the Bonds in such books and permit the Bonds to be transferred thereon, under such reasonable regulations as the Bank may prescribe.

(c) The Bonds shall be transferable only on the books of the Issuer maintained by the Bank at the Bank's office, upon surrender thereof at the main office of the Bank, together with such instruments, opinions, if any, and certificates as may be required by the provisions of the Bonds pertaining to the transfer thereof. Upon the transfer of the Bonds, the Issuer shall issue in the name of the transferee new Bonds (in registered form, without coupons), of the same principal amounts, maturities and rates of interest as the Bonds.

(d) The Issuer and the Bank may deem and treat the Person in whose name the Bonds shall be registered upon the books of the Issuer as the absolute owner thereof, whether the Bonds shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on the Bonds and for all other purposes. All such payments so made to any such Holder or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such Bonds to the extent of the sum or sums so paid. Neither the Issuer nor the Bank shall be affected by any notice to the contrary.

Section 3.04 Loss, Theft, Destruction or Mutilation of the Bonds. In the event the Bonds are mutilated, lost, stolen or destroyed, the Issuer may (at the Institution's sole cost and expense) execute and deliver new Bonds of like maturity, interest rate and principal amount, bearing the same number, if any, as the mutilated, destroyed, lost or stolen Bonds and bearing a notation indicating the principal amount outstanding, in exchange for the mutilated bond, or in substitution for a bond so destroyed, lost or stolen. In every case of exchange or substitution, the applicant shall furnish to the Issuer and the Institution (i) such indemnity as may be required by it to save the Issuer and the Institution and their respective members, servants, agents and employees harmless from all risks, however remote, reasonably related to such exchange or transfer, (ii) evidence to its satisfaction of the mutilation, destruction, loss or theft of the Bonds and of the ownership thereof and (iii) in the case of mutilation, the mutilated Bonds. Upon the issuance of a bond upon such exchange, or substitution, the Issuer may require the Holder of the Bonds to make 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 reasonable counsel fees, of the Issuer. In case the Bonds 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 the mutilation of the Bonds) if the applicant for such payment shall furnish to the Issuer such indemnity as it may require to save the Issuer and the Institution and their respective members, servants, agents and employees harmless from all risks, however remote, and evidence satisfactory to the Issuer of the mutilation, destruction, loss or theft of the Bonds and of the ownership thereof.

## ARTICLE IV

### **BOND PROCEEDS AND APPLICATION THEREOF; OTHER OBLIGATIONS OF INSTITUTION; INSURANCE PROVISIONS**

Section 4.01 Disbursement of Bond Proceeds. The Bank shall deposit the proceeds of the sale of the Bonds into a new account known as the "Nassau County Local Economic Assistance Corporation – Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project Fund)" (the "Project Fund"). Within the Project Fund there shall be two accounts (i) the "Series 2014C-1 Bonds Account", and (ii) the "Series 2014C-2 Bonds Account". The Bank shall deposit in the Series 2014C-1 Bonds Account the proceeds of the Series 2014C-1 Bonds and in the Series 2014C-2 Bonds Account the proceeds of the Series 2014C-2 Bonds.

(a) The Institution agrees to use Bond Proceeds (i) only as provided in Section 4.02 hereof and (ii) in accordance with its covenants respecting the use of the Bond Proceeds contained in the Tax Compliance Agreement.

(b) As security for the obligations of the Institution under the Bond Purchase Agreement and for the Institution's obligation with respect to the Bonds issued under the Bond Purchase Agreement, the Institution and the Issuer hereby pledge, assign, hypothecate, transfer and deliver to the Bank, and hereby grants to the Bank a security interest in, all right, title and interest, whether now owned or at any time hereafter acquired, of the Institution in and to the Project Fund. The Institution is authorized to complete one or more financing statements, including continuation statements with respect to such security interest and to file the same in any appropriate office or place to the extent permitted by law. A carbon, photographic or other reproduction of the financing statement prepared in conjunction herewith is sufficient as a financing statement.

#### Section 4.02 Use of Bond Proceeds.

(a) Subject to compliance by the Issuer and the Institution with the terms and conditions of this Bond Purchase Agreement, the Bond Proceeds shall be deposited by the Bank in the Project Fund for the purpose of paying Project Costs and reimbursement to the Institution for expenditures incurred for such costs, subject to and in compliance with the Tax Compliance Agreement.

(b) The Institution and the Issuer hereby direct the Bank to disburse the proceeds of the Bonds in accordance with the closing statement or flow of funds memorandum prepared by the Placement Agent.

#### Section 4.03 Reserved.

#### Section 4.04 Reserved.

#### Section 4.05 Reserved.

#### Section 4.06 Reserved.

Section 4.07 Reserved.

Section 4.08 Installation of Additional Equipment. Except as may otherwise be provided in the Mortgage and/or Security Agreement, the Institution from time to time may install any machinery, equipment and other personal property not constituting part of the Facility on or in the Facility (which may be attached or affixed to the Facility) as it may deem desirable. The Institution from time to time may remove or permit the removal of such machinery, equipment and other personal property from the Facility and may create or permit to be created any Lien on such machinery, equipment or other personal property; provided that any such removal of such machinery, equipment or other personal property shall not impair the overall operating efficiency of the Facility for the purpose for which it is intended; and provided further that if any damage is occasioned to the Facility by such removal, the Institution shall at its own expense promptly repair such damages. The Issuer and the Bank shall not be responsible for any loss or damage to any property installed pursuant to this Section 4.08.

Section 4.09 Taxes, Assessments and Utility Charges.

(a) The Institution agrees to pay, as the same respectively become due, (i) all taxes and governmental charges of any kind (if any) 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 bought by the Institution therein or thereon, including, without limitation, any taxes levied upon or with respect to the income or revenues of the Institution from the Facility, (ii) all utility and other charges, including "service charges", incurred or imposed for the operation, maintenance, use, 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 Bond Purchase Agreement to pay only such installments as are required to be paid during the term of the Bonds.

(b) The Institution shall not be required to pay any such tax, assessment or other charges (if any) which is subject to a Good Faith Contest. In the event of any such Good Faith Contest, the Institution may permit the taxes, assessments and other charges so contested, to remain unpaid during the period of such Good Faith Contest and any appeal therefrom, unless the Issuer or its members, officers, agents or servants may be liable for prosecution for such nonpayment in which event the Institution shall promptly take such action as shall be satisfactory to the Issuer.

Section 4.10 Reserved.

Section 4.11 Reserved.

Section 4.12 Investment of Monies. (a) Monies held in the Project Fund established pursuant to Section 4.04 hereof shall be invested and reinvested by the Bank in Authorized Investments in compliance with the Tax Compliance Agreement. In making any such investment the Bank may rely conclusively on the written directions of the Institution delivered to it pursuant to this Section 4.12 and the Bank shall be relieved of all liability with respect to the

making of such investments in accordance with such directions. Such investments shall mature in such amounts and have maturity dates or be subject to redemption at the option of the holder thereof on or prior to the date on which the amounts invested therein will be needed for the purposes of the Project Fund. The Bank may at any time sell or otherwise reduce to cash a sufficient amount of such investments whenever the cash balance in the Project Fund is insufficient in the sole reasonable judgment of the Bank for the purposes thereof. Any such investments shall be held by or under control of the Bank and shall be deemed at all times a part of the Project Fund, and the interest accruing thereon and any profit realized from such investments shall be credited to and held in and any loss shall be charged to the Project Fund.

(b) The Bank shall not be liable for any depreciation in the value of any investment made pursuant to this Section 4.12 or for any loss arising from any such investment.

#### Section 4.13 Reserved.

Section 4.14 Insurance Required. At all times throughout the terms of the Bonds (except as specifically provided for in this Section) the Institution shall maintain insurance against such risks and for such amounts as are customarily insured against by businesses of like size and type, and as required by the Bank and/or the Issuer, paying, as the same become due and payable, all premiums in respect thereto, including, but not necessarily limited to:

(a) Insurance against loss or damage by fire, lightning and other casualties customarily insured against by similar businesses in the area, with a uniform standard extended coverage endorsement, such insurance to be in an amount not less than the full insurable value of the Facility, exclusive of excavations 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. During any period of construction of any portion of the Facility, such policy with respect to such Facility shall be written in the so-called "Builder's Risk Completed Value Non-Reporting Form" and shall contain a provision granting the insured permission to complete and/or occupy.

(b) If the Institution owns, leases or uses motor vehicles, Automobile Liability including coverage on owned, hired and non-owned automobiles and other vehicles, if used in connection with the performance of the work with bodily injury and property damage limits of not less than \$1,000,000 per occurrence combined single limit, with a waiver of subrogation against all parties named as additional insured.

(c) Workers' Compensation and Employer's Liability insurance, disability benefits insurance, and each other form of insurance which the Issuer or 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. The policy limit under the Employer's Liability insurance shall not be less than \$1,000,000.

(d) Commercial General Liability Insurance protecting the Institution, the Bank and the Issuer against loss or losses from liabilities imposed by law or assumed in any written contract and arising from personal injury and death or damage to the Property of others caused by any accident or occurrence, with limits of not less than \$1,000,000 (\$3,000,000 aggregate) per accident or occurrence on account of personal injury including death resulting therefrom, and

\$1,000,000 (\$3,000,000 aggregate) per accident or occurrence on account of damage to the property of others, excluding liability imposed upon the Institution by any applicable worker's compensation law.

(e) Umbrella/Excess Liability in excess of Commercial General Liability, Automobile Liability and Employer's Liability coverages which is at least as broad as these underlying policies with a limit of liability of \$10,000,000.

(f) A policy or policies of flood insurance in the amount equal to the maximum amount of flood insurance available with respect to the Facility under the Flood Disaster Protection Act of 1973, as amended. This requirement shall be waived with respect to any portion of the Facility upon presentation of evidence satisfactory to the Bank that no portion of the Facility located at the site of such portion of the Facility is located within an area identified by the United States Department of Housing and Urban Development as having special flood hazards.

Section 4.15 Additional Provisions Respecting Insurance. All insurance required by Section 4.14. hereof shall be procured and maintained with financially sound and generally recognized responsible insurance companies selected by the entity required to procure the same and authorized to write such insurance in the State and acceptable to the Bank and the Issuer. 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 to those in which the Institution is engaged. All policies evidencing insurance coverages required by subsections (b) and (c) of Section 4.14 hereof shall name the Issuer, the Institution and the Bank as insureds. All policies evidencing insurance coverages required by Section 4.14(a), 4.14(d) and (e) hereof shall name the Issuer and the Institution as insureds and the Bank and the Issuer as mortgagee and lender loss payee, and all policies shall provide for at least thirty (30) days written notice to the Institution, the Issuer and the Bank prior to cancellation, reduction in policy limits or material change in coverage thereof; provided that insurance limits must be in at least the principal amount of the Bonds outstanding regardless of deductible amounts. All insurance required hereunder shall be in form, content and coverage satisfactory to the Issuer and the Bank and shall not contain any coinsurance provisions nor blanket coverage with existing policies. The original policy, or a commitment binder for insurance, of all insurance required hereby shall be delivered to the Issuer and the Bank on or before the Closing Date. The Institution shall deliver to the Issuer and the Bank, on or before the first Business Day in December of each calendar year thereafter a certificate dated not earlier than the immediately preceding November 1st, reciting that there is in full force and effect, with a term covering at least the next succeeding twelve (12) months, insurance in the amounts and of the types required by Sections 4.14 and 4.15 hereof. At least thirty (30) days prior to the expiration of any such policy, the Institution shall furnish to the Issuer and the Bank, evidence that the policy has been renewed or replaced or is no longer required by this Bond Purchase Agreement.

THE PARTIES HERETO ACKNOWLEDGE THAT NEITHER THE ISSUER NOR THE BANK DOES IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OF COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT FOR THE PURPOSES CONTEMPLATED HEREUNDER OR

TO PROTECT THE OPERATION OF THE FACILITY OR THE BUSINESS, OPERATIONS OR FINANCIAL CONDITION OF THE INSTITUTION.

Section 4.16 Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to the provisions of Section 4.14 hereof shall be applied as follows: (i) the Net Proceeds of the insurance required by Sections 4.14(a) and 4.14(d) hereof shall be applied as provided in Section 4.19 hereof, and (ii) the Net Proceeds of the insurance required by Sections 4.14(b), 4.10(c) and 4.10(d) and (e) hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds may be paid.

Section 4.17 Right of Bank or the Issuer to Pay Taxes, Insurance Premiums and Other Charges. If the Institution fails (i) to pay any tax, assessment or other governmental charge required to be paid by Section 4.09 hereof or (ii) to maintain any insurance required to be maintained by Section 4.14 hereof, the Bank or the Issuer, may, but are not required to, pay such tax, assessment or other governmental charge or for such insurance. The Institution shall reimburse the Bank or the Issuer, as the case may be, for any amount so paid by the Bank or the Issuer pursuant to this Section 4.17, together with interest thereon from the date of payment by the Bank or the Issuer, as the case may be, at the rate of interest equal to three percent (3.00%) in excess of the rate at which interest accrues on the Bonds, or the maximum rate permitted by law, whichever is less. Notwithstanding anything in this Section to the contrary, prior to paying any such tax, assessment, governmental charge or insurance premium, the Bank and/or the Issuer, as applicable, shall give the Institution ten (10) days' notice of its' intent to make such payment, provided, however, that the failure of the Bank to provide such notice shall not discharge the Institution's obligation to make reimbursements therefor under this Section.

Section 4.18 Exempt from Taxation. It is recognized that the Institution is required to pay no taxes or assessment upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities.

Section 4.19 Damage or Destruction. Subject to the provisions of the Mortgage the provisions of this Section 4.19 shall apply in the event the Facility is damaged or destroyed during the term of the Bonds.

(a) If the Facility shall be damaged or destroyed (in whole or in part) at any time during the term of the Bonds:

(i) the Issuer and/or the Bank shall have no obligation to replace, repair, rebuild or restore the Facility;

(ii) there shall be no abatement or reduction in the amounts payable by the Institution under this Bond Purchase Agreement and the Bonds (whether or not the Facility is replaced, repaired, rebuilt or restored);

(iii) the Institution shall promptly give notice thereof to the Bank and the Issuer; and

(iv) unless the Bank makes an election pursuant to subsection (b) of this Section 4.19, the Institution shall promptly replace, repair, rebuild or restore the Facility to

substantially the same (or comparable) condition and value as an operating entity as existed prior to such damage or destruction, with such changes, alterations and modifications as may be desired by the Institution and consented to by the Bank in writing, provided that the Institution delivers or causes to be delivered to the Bank (A) an estimate in all respects satisfactory to the Bank, prepared by an architect or engineer acceptable to the Bank indicating that the Net Proceeds, taken together with additional proceeds deposited by the Institution with the Bank, are sufficient to replace, repair, rebuild or restore the Facility to substantially the same (or comparable) condition and value as an operating entity as existed prior to such damage or destruction, (B) the Net Proceeds in excess of \$50,000 and any additional funds needed to satisfy (A) above shall be deposited into the Reconstruction Fund (as defined in Section 4.21 hereof), (C) the Institution shall submit to the Bank executed and binding contracts for repairs, replacements and restoration and plans and specifications, each of which must be in all respects satisfactory to the Bank, and (D) the repair, restoration or rebuilding must be substantially comparable in size, quality and value to the Facility immediately before repair, restoration or rebuilding.

The Net Proceeds of insurance resulting from claims for such losses, together with any additional funds necessary to complete the replacement, repair, rebuilding or restoration of the Facility shall be deposited into the Reconstruction Fund as set forth above. Any balance of such Net Proceeds remaining after payment of all the costs of such replacement, repair, rebuilding or restoration shall be paid to the Bank as prepayment of the Bonds.

(b) The Institution shall not be obligated to replace, repair, rebuild or restore the Facility, and the Net Proceeds of the insurance shall not be applied as provided in subsection (a) of this Section 4.19, if within ninety (90) days of the event causing damage or destruction to the Facility, the Bank shall notify the Issuer and the Institution that, in its sole judgment, it does not deem it practical or desirable to so replace, repair, rebuild or restore the Facility. In such event, the Bonds shall be prepaid up to the amount of the Net Proceeds including all amounts payable to the Issuer and the Bank, with all interest accrued thereon.

(c) If the principal amount of the Bonds and interest thereon and all other amounts due to the Issuer and the Bank under the Bond Documents have been fully paid, all such Net Proceeds shall be paid to the Institution for its purposes.

(d) Provided no Event of Default has occurred and is continuing, the Institution, with the prior written consent of the Bank, may adjust all claims under any policies of insurance required by Section 4.14(a) hereof.

Section 4.20 Condemnation of Facility. The provisions of this Section 4.20 shall apply in the event that title to all or any part of the Facility is taken by Condemnation during the term of the Bonds.

(a) If at any time during the term of the Bonds, the whole or any part of title to, or the use of, the Facility shall be taken by Condemnation:

(i) the Issuer and/or the Bank shall have no obligation to replace or restore the Facility;



(ii) there shall be no abatement or reduction in the amounts payable by the Institution under this Bond Purchase Agreement or the Bonds (whether or not the Facility is replaced or restored);

(iii) the Institution shall promptly give notice thereof to the Issuer and the Bank; and

(iv) unless the Bank makes an election pursuant to subsection (b) of this Section 4.20, the Institution shall promptly replace or restore the Facility (excluding any part of the Facility taken by Condemnation) to substantially the same condition and value as an operating entity as existed prior to such Condemnation with such changes, alterations and modifications as may be desired by the Institution and consented to by the Bank in writing.

The Net Proceeds in excess of \$50,000 of any award in any Condemnation proceeding shall be deposited into the Reconstruction Fund (as defined in Section 4.21 hereof) to be applied to the payment of the costs of the restoration or replacement of the Facility. In the event such Net Proceeds of any Condemnation award are not sufficient to pay in full the costs of such restoration or replacement of the Facility, the Institution shall nonetheless complete such restoration or replacement and shall pay from its own monies (including bank or other loans or other similar financing) that portion of the costs thereof in excess of such Net Proceeds. Any balance of such Net Proceeds of any Condemnation award remaining after payment of all costs of such restoration or replacement shall be paid to the Bank and applied as provided in this Bond Purchase Agreement.

(b) The Institution shall not be obligated to restore the Facility, and the Net Proceeds of any Condemnation award shall not be applied as provided in Section 4.20(a) hereof, if within sixty (60) days of the act of Condemnation, the Bank shall notify the Issuer and the Institution that, in its sole judgment, it does not deem it practical or desirable to so replace or restore the Facility. In such event, the Bonds shall be prepaid up to the amount of the Net Proceeds including all amounts payable to the Issuer and the Bank with all interest accrued thereon.

(c) If the principal amount of the Bonds and interest and premium, if any, thereon and all other amounts due the Issuer and the Bank under the Bond Documents have been fully paid, all such Net Proceeds shall be paid to the Institution for its purposes.

(d) Provided no Event of Default shall have occurred and be continuing, the Institution shall, with the prior written consent of the Bank, have control of any Condemnation proceeding with respect to the Facility or any part thereof and may negotiate the settlement of any such proceeding. The Issuer shall, with prior written consent of the Bank, at the sole expense of the Institution, cooperate fully with the Institution in the handling and conduct of any such condemnation proceeding. In no event shall the Issuer voluntarily settle, or consent to the settlement of, any Condemnation proceeding without the prior written consent of the Institution and the Bank.

Section 4.21 Escrowing of Net Proceeds. The Net Proceeds referred to in Section 4.19 or Section 4.20 hereof shall be paid to the Bank for deposit into a new account known as the

“Nassau County Local Economic Assistance Corporation Reconstruction Fund – Alliance of Long Island Agencies, Inc., Life’s W.O.R.C., Inc. Project” (the “Reconstruction Fund”). Provided no Event of Default has occurred and is continuing, the monies in the Reconstruction Fund shall be administered in accordance with the Bank's then current requirements for building loan advances.

Section 4.22 Condemnation of Institution-Owned Property. The Institution shall be entitled to the proceeds of any Condemnation award or portion thereof made for damage to or taking of any Property which, at the time of such damage or taking, is owned by the Institution and is not part of the Facility.

Section 4.23 No Warranty of Condition or Suitability by the Issuer; Acceptance “As Is”. THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE CONDITION, TITLE, DESIGN, OPERATION, MERCHANTABILITY OR FITNESS OF THE FACILITY OR ANY PORTION THEREOF OR THAT THE FACILITY OR ANY PORTION THEREOF IS OR WILL BE SUITABLE FOR THE INSTITUTION'S PURPOSES OR NEEDS. NO WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY ARE MADE. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE, WHETHER LATENT OR PATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WHATSOEVER WITH RESPECT THERETO.

Section 4.24 Hold Harmless Provisions.

(a) The Institution agrees that the Issuer and its respective members, officers, directors, employee or agents shall not be liable for, and agrees to defend, indemnify, release and hold the Issuer and its members, officers, directors, employees and agents 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 in connection with the occupation or the use thereof or the presence of any person or property on, in or about the Facility or (ii) liability arising from or expense incurred by the Issuer's financing of the Facility, including without limiting the generality of the foregoing, all claims arising from the breach by the Institution of any of the covenants contained herein, all claims, causes of action, judgments, liabilities, losses, damages, costs and expenses (including attorneys' fees) arising out of an Event of Default hereunder or under any of the other Bond Documents or an occurrence, which with the giving of notice or the passage of time, would ripen into an Event of Default, and all causes of action and 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 or its respective members, officers, directors, employees or agents are not incurred or do not result solely from the gross negligence or the intentional or willful wrongdoing of the Issuer or its respective members, officers, directors, employees or agents, as the case may be. Except as otherwise provided, the foregoing indemnities shall apply notwithstanding the fault or negligence on the part of the Issuer or any of its respective members, officers, directors, employees or agents and irrespective of the breach of a statutory obligation or the application of any rule of comparative or apportioned liability.

(b) In the event of any claim against the Issuer or any of its officers, members, employees, servants or agents by any employee of the Institution or anyone directly or indirectly

employed by any of them or anyone for whose acts any of them 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 damage, compensation or benefits payable by or for the Institution or such contractor under Workers' Compensation acts, disability benefits or other employee benefit acts.

(c) To effectuate the provisions of this Section 4.24, the Institution agrees to provide for and insure, in the liability policies required in Section 4.14(d) and (e) hereof, its liabilities assumed pursuant to this Section 4.24, to the extent such liabilities are insurable.

(d) Notwithstanding any other provisions of this Bond Purchase Agreement, the obligations of the Institution pursuant to this Section 4.24 shall remain in full force and effect after the payment in full of the Bonds 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 the payment in full or the satisfaction of such claim, cause of action or prosecution and the payment of all expenses and charges incurred by the Issuer and any of its respective officers, members, employees, servants or agents, relating to the enforcement of the provisions herein specified.

Section 4.25 Agreement to Provide Information. The Institution agrees, whenever requested by the Issuer or the Bank, to promptly comply with reasonable requests by the Issuer or the Bank for information concerning the Institution, its finances and other topics as the Issuer or the Bank, from time to time considers reasonably necessary or appropriate, including, but not limited to, such information as to enable the Issuer or the Bank to make any reports required by law, governmental regulation or the Bond Purchase Agreement.

Section 4.26 Compliance With Orders, Ordinances, Etc.

(a) The Institution agrees that it will, until the Bonds are paid in full, promptly materially comply with all statutes, codes, laws, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all federal, state, county, municipal and other governments, departments, commissions, boards, companies or associations insuring the premises, courts, authorities, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Facility or any part thereof, or to any use, manner of use or condition of the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 4.26, the Institution may in Good Faith Contest the validity or the applicability of any requirement of the nature referred to in subsection (a) above, provided that the Institution shall have first notified the Issuer and the Bank of such Good Faith Contest. In such event, the Institution may fail to comply with the requirement or requirements so contested during the period of such Good Faith Contest and any appeal therefrom, unless the Issuer or the Bank shall notify the Institution that by failure to comply with such requirement or requirements the Issuer or the Bank or any of their respective members, officers, agents or servants may be liable for prosecution for failure to comply therewith in, which event the Institution shall promptly take such action with respect thereto as shall be satisfactory to the Issuer.

Section 4.27 Books of Record and Account; Financial Statements; Compliance Certificates. The Institution agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Institution and to permit the Bank or its Authorized Representative to inspect such accounts, records or books and to make extracts from and copies of such accounts, records or books.

Section 4.28 Discharge of Liens and Encumbrances.

(a) The Institution shall not permit or create or suffer to be permitted or created any Lien (except for Permitted Encumbrances) upon the Facility or any part thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section 4.28, the Institution may in Good Faith Contest any such Lien, provided that the Institution shall have first notified the Issuer and the Bank of such Good Faith Contest. In such event, the Institution may permit the items so contested to remain undischarged and unsatisfied during the period of such Good faith Contest and any appeal therefrom, unless the Issuer or the Bank shall notify the Institution that by nonpayment of any such item or items the Facility or any part of the Facility may be subject to loss or forfeiture, in which event the Institution shall promptly secure payment of all such unpaid items by filing the requisite bond, in form and substance satisfactory to the Issuer and the Bank, thereby causing such Lien to be removed.

Section 4.29 Performance by Issuer or Bank of Institution's Obligations. Should the Institution fail to make any payment or to do any act as herein provided for a period of ten (10) days after receiving written notice of such failure to pay or act (and without releasing the Institution from any obligation herein), the Issuer or the Bank may make or do the same, including without limitation, appearing in and defending any action purporting to affect the rights or powers of the Institution or the Issuer, and paying all expenses, including, without limitation, reasonable attorneys' fees; and the Institution will pay immediately upon demand all sums so expended by the Issuer or the Bank under the authority hereof, together with interest thereon at a per annum rate of interest equal to the Default Rate. Notwithstanding anything in this Section to the contrary, prior to making any payment, the Bank and/or the Issuer, as applicable, shall give the Institution ten (10) days' notice of its' intent to make such payment; provided, however, that the failure of the Bank to provide such notice shall not discharge the Institution's obligation to make reimbursements therefor under this Section.

Section 4.30 Covenant Against Arbitrage Bonds. So long as the Bonds shall be Outstanding, neither the Issuer nor the Institution shall use, or direct or permit the use of, the proceeds of the Bonds or any other monies within their respective control (including, without limitation, the proceeds of any insurance settlement or any Condemnation award with respect to the Facility) in any manner which, if such use had been reasonably expected on the date of issuance of the Bonds, would have caused the Bonds to be "arbitrage bonds" within the meaning ascribed to such quoted term in Section 148 of the Code. The Institution agrees that it will comply with all of its covenants in the Tax Compliance Agreement relating to the restrictions contained in Section 148 of the Code. The Issuer authorizes the Institution, in the Issuer's behalf, to calculate and make the rebate payments required by Section 148(f) of the Code. Notwithstanding the foregoing, there shall be no such obligation upon the Issuer with respect to

the use or investment of its administrative fee, provided, however, that if the Institution is required to rebate any amount with respect to such administrative fee, the Issuer shall provide, upon the reasonable request of the Institution, such information concerning the investment of such administrative fee as shall be requested by the Institution and as shall be reasonably available to the Issuer.

Section 4.31 Depreciation, Deductions and Investment Tax Credits. The parties agree that, as between themselves, the Institution shall be entitled to all depreciation or cost recovery deductions with respect to any depreciable property of the Facility pursuant to Section 167 or 168 of the Code and to any investment credit pursuant to Section 38 of the Code with respect to any portion of the Facility which constitutes "Section 38 Property" as defined in the Code.

Section 4.32 Institution to Maintain its Existence; Conditions Under Which Exceptions Permitted. The Institution agrees that during the term of the Bonds it will maintain its existence and continue as an organization described in Section 501(c)(3) of the Code, will not dissolve or liquidate or otherwise dispose of all or substantially all of its assets, and will not merge or be consolidated with or into any other Person or permit one or more Persons to consolidate with or merge into it (i) without the prior written consent of the Issuer and the Bank, (ii) without compliance with the covenant of the Institution regarding the Debt Service Coverage Ratio, as set forth in the Compliance Schedule on a pro forma basis and (iii) without complying with the second sentence of this Section. In addition to Bank and Issuer consent pursuant to this Section, no such merger, consolidation or transfer of assets shall occur until the following conditions are met: (a) the surviving, resulting or transferee entity, as the case may be, is organized under the laws of one of the states of the United States of America and qualifies to do business in the State, (b) the surviving, resulting or transferee entity, as the case may be, assumes in writing all of the obligations of and restrictions on the Institution under this Bond Purchase Agreement (including, but not limited to, the covenants of the Institution set forth in Section 2.04 hereof and the Compliance Schedule) and any other agreement securing the Institution's performance hereunder, (c) immediately after the consummation of the transaction, and after giving effect thereto, the surviving, resulting or transferee entity, as the case may be, has net assets at least equal to the net assets of the Institution immediately prior to the transaction, (d) the Institution is the surviving, resulting or transferee not-for-profit corporation (e) that the proposed transaction will not adversely affect the exclusion of the interest payable on the Series 2014 F-1 Bonds from the gross income of the Holder for federal income tax purposes, and as of the date of such consolidation, merger, sale or transfer, the Institution shall, at its expense, furnish the Issuer and the Holder with (i) an opinion of Independent Counsel opining as to the compliance with items (a) and (b) of this Section, (ii) an opinion of an accountant opining as to the compliance with item (c) of this Section, (iii) an opinion of Bond Counsel as to compliance with item (d), and (iv) a certificate dated the effective date of such consolidation, merger, sale or transfer, signed by an Authorized Representative of the Institution and the general partner or chief executive officer, whichever is applicable, of the surviving, resulting or transferee entity, as the case may be, to the effect that immediately after consummation of the transaction, and after giving effect thereto, no Event of Default exists under this Bond Purchase Agreement and no event exists which, with notice or lapse of time or both, would become such an Event of Default; and (v) such other documents, instruments and certificates as Issuer and/or the Bank may reasonably request.

Section 4.33 Employment Opportunities. (a) Except as is otherwise provided by collective bargaining contracts or agreements, new employment opportunities created as a result of the Project shall be listed with the New York State Department of Labor Community Services Division, and with the administrative entity of the service delivery area created by the Workforce Investment Act of 1998 (29 U.S.C. §2801) in which the Facility Realty is located. Except as is otherwise provided by collective bargaining contracts or agreements, the Institution agrees, where practicable, to consider first, and cause each of its Affiliates at the Facility to consider first, persons eligible to participate in the Workforce Investment Act of 1998 (29 U.S.C. §2801) programs who shall be referred by administrative entities of service delivery areas created pursuant to such Act or by the Community Services Division of the New York State Department of Labor for such new employment opportunities.

(b) Upon the Issuer's written request, the Institution shall provide to the Issuer any employment information in the possession of the Institution which is pertinent to the Institution and the employees of the Institution.

(c) The Institution hereby authorizes any private or governmental entity, including The New York State Department of Labor ("DOL"), to release to the Issue, and/or to the successors and assigns of the Issuer (collectively, the "Information Recipients"), any and all employment information under its control and pertinent to the Institution. Information released or provided to Information Recipients by DOL, or by any other governmental entity, or by any private entity, or by the Institution, or any information previously released as provided by all or any of the foregoing parties (collectively, "Employment Information") may be disclosed by the Information Recipients in connection with the administration of the programs of the Issuer, and/or the successors and assigns of the Issuer, and/or the County, and/or as may be necessary to comply with law; and, without limiting the foregoing, the Employment Information may be included in (x) governmental reports prepared by the Information Recipients, (y) other reports required of the Issuer, and (z) any other reports required by law, in each instance the Information Recipient shall comply with all legal requirements in the use of such Employment Information. This authorization shall remain in effect until the termination of this Agreement.

(d) Upon the request of the Issuer, the Institution shall cooperate with the Issuer in the development of programs for the employment and/or training of members of minority groups in connection with performing work at the Facility.

(e) Nothing in this Section shall be construed to require the Institution to violate any existing collective bargaining agreement with respect to hiring new employees.

(f) Non-Discrimination.

(i) At all times during the maintenance and operation of the Facility, the Institution shall not discriminate nor permit any of its Affiliates to discriminate against any employee or applicant for employment because of race, color, creed, age, sex or national origin. The Institution shall use its best efforts to ensure that employees and applicants for employment with any tenant of the Facility are treated without regard to their race, color, creed, age, sex or national origin. As used herein, the term "treated" shall mean and include the following: recruited, whether by advertising or other means; compensated, whether in the form of rates of

pay or other forms of compensation; selected for training, including apprenticeship; promoted; upgraded; downgraded; demoted; transferred; laid off; and terminated.

(ii) The Institution shall, in all solicitations or advertisements for employees placed by or on behalf of the Institution state that all qualified applicants will be considered for employment without regard to race, color, creed or national origin, age or sex.

The Institution shall furnish to the Issuer all information required by the Issuer pursuant to this Subsection (f) and will cooperate with the Issuer for the purposes of investigation to ascertain compliance with this Section.

#### Section 4.34 Restriction on Transfer of Facility.

(a) Except as otherwise specifically provided in this Section 4.34, the Institution shall not during the term of the Bonds sell, convey, transfer, encumber or otherwise dispose of the Facility or any part thereof or any of its rights hereunder, without the prior written consent of the Issuer and the Bank. Prior to each proposed transfer, encumbrance or disposition of the Facility, the Institution shall provide the Issuer and the Bank with the following:

(1) A copy of the instrument transferring such title to or interest in the Facility or part of the Facility;

(2) A certificate of the Institution stating that the Institution is not then in default under this Bond Purchase Agreement and that the transfer is made in the ordinary course of business or made in return for other property of equal or greater value;

(3) Evidence satisfactory to the Issuer and the Bank, that the transferee has assumed the obligations of the Institution hereunder;

(4) An unqualified opinion of Bond Counsel to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Bonds shall not be adversely affected thereby;

(5) Financial statements of, or other financial information pertaining to, the proposed transferee, in form and substance reasonably satisfactory to the Bank and the Issuer; and

(6) Such other documents and information as the Bank or the Issuer may reasonably request.

(b) No conveyance of all or any portion of the Facility or interest therein effected under the provisions of this Section 4.34 shall entitle the Institution to any abatement or diminution of any amounts payable under this Bond Purchase Agreement and the Bonds. No assignment, sale or other disposition of the Facility shall relieve the Institution from primary liability for any of its obligations hereunder.

#### Section 4.35 Removal of Equipment.

(a) In any instance where the Institution reasonably determines that any item of Equipment has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Institution may remove such item of Equipment 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 efficient operation of the Facility for the purpose for which it is intended.

(b) The removal of any item of Equipment pursuant to this Section 4.35 shall not entitle the Institution to any abatement or diminution of any amounts payable under this Bond Purchase Agreement or the Bonds. At the request of the Institution, the Issuer shall execute and deliver, to the Institution all instruments necessary or appropriate to enable the Institution to sell or otherwise dispose of any such item of Equipment free from the Liens of the Bond Documents. The Institution shall pay all costs and expenses (including counsel fees) incurred in transferring title to and releasing from the Liens of the Bond Documents any item of Equipment removed pursuant to this Section 4.35.

#### Section 4.36 Merger of Issuer.

(a) Nothing contained in this Bond Purchase Agreement shall prevent the consolidation of the Issuer with, or merger of the Issuer into, any other not-for-profit corporation or entity, provided that:

(1) the exclusion from gross income for Federal income tax purposes of the interest on the Bonds shall not be adversely affected thereby and Issuer provides Bond Counsel opinion as the same; and

(2) upon any such consolidation, merger or transfer, the due and punctual performance and observance of all the agreements and conditions of this Bond Purchase Agreement to be kept and performed by the Issuer shall be expressly assumed in writing by the not-for-profit corporation or entity resulting from such consolidation or surviving such merger and shall have no effect on obligations of the Institution hereunder.

(b) As of the date of any such consolidation, or merger, the Issuer shall give notice thereof in reasonable detail to the Institution and the Bank. The Issuer promptly shall furnish such additional information with respect to any such transaction as the Institution or the Bank may reasonably request.

Section 4.37 Payments Net. All payments by the Institution of principal of, and interest on, the Bonds and all other amounts payable hereunder and/or under the Institution Documents or the Bond 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 Bank'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 hereunder 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 so to be so withheld or deducted;

(b) promptly forward to the Bank an official receipt or other documentation satisfactory to the Bank evidencing such payment to such authority; and

(c) pay to the Bank such additional amount or amounts as is reasonably necessary to ensure that the net amount actually received by the Bank will equal the full amount the Bank would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against the Bank with respect to any payment received by the Bank under this Bond Purchase Agreement and/or the Bond Documents, the Bank 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 Bank after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount the Bank 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 Bank the required receipts or other required documentary evidence, the Institution shall indemnify the Bank for any incremental Taxes, interest or penalties that may become payable by the Bank as a result of any such failure.

#### Section 4.38 Increased Costs; Capital Adequacy.

(a) If the adoption, effectiveness or phase-in, after the date hereof, of any applicable law, rule or regulation, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Bank with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency (each, a "Regulatory Change"):

(1) shall subject the Bank to any imposition or other charge with respect to any amounts due under this Bond Purchase Agreement or any Bond Document (except for changes in the rate of tax on the overall net income of the Bank); or

(2) shall impose, modify or deem applicable any reserve, special deposit, deposit insurance or similar requirement (including, without limitation, any such requirement imposed by the Board of Governors of the Federal Reserve System) against assets of, deposits with or for the account of, or credit extended by, the Bank or shall impose on the Bank any other condition affecting payments under this Bond Purchase Agreement or any Bond Document or the Bank's rights to receive such payment

and the result of any of the foregoing is to increase the cost to Bank of making or maintaining the investment evidenced by any Bonds or to reduce the amount of any sum received or receivable by the Bank under this Bond Purchase Agreement or under any Bond Document by an amount deemed by the Bank to be material, then, within thirty (30) days of written demand by the Bank and receipt by the Institution of a certificate from the Bank setting forth its calculation of the

amount owed, the Institution shall forthwith pay to the Bank such additional amount or amounts as will compensate the Bank for such increased costs or reduction in receipts.

(b) If any change in, or the introduction, adoption, effectiveness, interpretation, reinterpretation or phase-in of, any law or regulation, directive, guideline, decision or request (whether or not having the force of law) of any court, central bank, regulator or other governmental authority affects or would affect the amount of capital required or expected to be maintained by Bank, or any person controlling the Bank, and the Bank determines (in a commercially reasonable manner) that the rate of return on its or such controlling person's capital as a consequence of the Bank's ownership of the Bonds is reduced to a level below that which the Bank or such controlling person could have achieved but for the occurrence of any such circumstance, then, in any such case within thirty (30) days of notice by the Bank to the Institution, the Institution shall immediately pay directly to the Bank additional amounts sufficient to compensate the Bank or such controlling person for such reduction in rate of return. A statement of the Bank as to any such additional amount or amounts (including calculations thereof in reasonable detail) shall, in the absence of manifest error, be conclusive and binding on the Institution. In determining such amount, the Bank may use any method of averaging and attribution that it (in its sole and absolute discretion) shall deem applicable. Any rules, regulations, policies, guidelines, directives or similar requirements adopted, promulgated or implemented in connection with (a) the Dodd-Frank Wall Street Reform and Consumer Protection Act and (b) the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or any United States Governmental Authority, in each case pursuant to Basel III, shall in all events be deemed to have been imposed, introduced and adopted after the date of this Bond Purchase Agreement.

(c) A certificate of Bank claiming compensation under this section shall be conclusive in the absence of manifest error. Such certificate shall set forth the nature of the occurrence giving rise to such compensation, the additional amount or amounts to be paid to Bank hereunder and the method by which such amounts were determined. In determining such amounts, the Bank may use any reasonable averaging and attribution methods.

(d) No failure on the part of Bank to demand compensation on any one occasion shall constitute a waiver of its right to demand such compensation on any other occasion and no failure on the part of Bank to deliver any certificate in a timely manner shall in any way reduce any obligation of the Institution to Bank under this section.

## ARTICLE V

### PAYMENT BY ISSUER

#### Section 5.01 Payment of Principal and Interest.

(a) The Institution shall pay interest, premium, if any, and the principal of the Bonds in accordance with the terms thereof and herein. Principal and interest shall be paid in monthly installments commencing on August 1, 2014 and continuing on the first (1<sup>st</sup>) Business Day of each month thereafter through and until the Maturity Date, when the entire unpaid principal balance hereof and all accrued and unpaid interest hereon shall be due and payable. All payments shall be applied first to the payment of interest in arrears and then to the payment of principal. Changes to the Bond Amortization Schedule shall be approved by the Issuer, the Institution and the Bank. The Bank shall invoice the Institution on a monthly basis.

(b) If there shall occur an Event of Taxability, the rate of interest on the Bonds shall be adjusted, to the extent permitted by law, to the Taxable Rate, commencing with the first day of the calendar month immediately succeeding the calendar month in which notification is given by the Bank to the Issuer that an Event of Taxability has occurred. In addition, there shall be paid to the Bank upon demand therefor (i) an amount equal to (A) the aggregate amount which would have been payable as interest on the Bonds if interest on the Series 2014C-1 Bonds had accrued at the Taxable Rate during the period commencing with the Tax Incidence Date and ending on the earlier of (1) the maturity of the Bonds or (2) the date of payment of the amount described in this clause (i), less (B) the amount of the interest on the Series 2014C-1 Bonds previously received by the Bank for such period; and (ii) any Additions to Tax paid or payable by the Bank as a consequence of the failure of the Bank to include the interest on or any amount in respect of interest on the Bonds held by the Bank as gross income in its Federal tax return for any relevant period prior to notice to the Bank of an Event of Taxability. In the event of an Event of Taxability following the payment in full of the principal of and interest on the Bonds and all other amounts payable by the Issuer under this Bond Purchase Agreement, the Bank shall give notice to the Institution of such Event of Taxability, and within thirty days after receipt thereof, the Institution shall pay to the Bank an amount equal to 100% of all amounts payable to the Bank, such amount to be determined in accordance with this Section 5.01(b).

#### Section 5.02 Prepayment of the Bonds.

(a) Optional Prepayment. At the option of the Institution, upon thirty (30) days written notice to the Bank, the Bonds may be prepaid in whole or in part on any Business Day, at 100% of the principal amount thereof plus accrued interest to the date of redemption, plus, the greater of (i) one percent (1.00%) of the principal amount of Bonds being prepaid multiplied by the "Remaining Term", as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest Rate". If the result is zero or a negative number, there shall be no Yield Maintenance

Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed prepayment charge" due to the Purchaser of the Bonds upon prepayment of all or any portion of the principal of the applicable Bonds, plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

$$\text{Yield Maintenance Fee} = \text{Amount Being Prepaid} \times (\text{Stated Interest Rate} - \text{Current Cost of Funds}) \times \text{Days in the Remaining Term} / 360 \text{ days} + \text{any accrued interest due.}$$

"Remaining Term" as used herein shall mean the number of days from the prepayment date of the Bonds, as applicable, to the Maturity Date of the Bonds, as applicable.

"Stated Interest Rate" as used herein means the interest rate accruing on the outstanding principal balance of the Bonds.

**Section 5.03 Defeasance.** If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, the principal of, premium, if any, and interest on the Bonds and all other amounts payable by the Issuer under this Bond Purchase Agreement, then all covenants, agreements and other obligations of the Issuer and the Institution hereunder shall thereupon terminate and be discharged and satisfied, and thereupon all the monies and properties of the Issuer and the Institution then subject to such security interests shall be free and clear thereof. In such event the Bank shall execute and record or file, at the expense of the Institution, all documents requested by the Issuer or the Institution to effect such discharge and satisfaction.

**Section 5.04 Redemption.**

This Bond shall be subject to mandatory prepayment in whole or in part on any Business Day, in an amount equal to (i) the amount, if any, by which the Bond Proceeds exceed the amount required to pay the Cost of the Facility advanced pursuant to Section 4.05 of the Bond Purchase Agreement (as hereinafter defined); (ii) the amounts received from or on behalf of contractors or subcontractors, as provided in the Bond Purchase Agreement (except to the extent that the Institution is entitled to reimbursement from such Net Proceeds for certain expenses); (iii) the amount, if any, by which the Net Proceeds of any insurance or any condemnation award with respect to the Facility exceed the cost of repairing or restoring the Facility, as provided in the Bond Purchase Agreement; or (iv) the amount, if any, of the Net Proceeds of title insurance covering the Facility. In addition, accrued interest to the date of such prepayment shall be paid on the amount of such prepayment.

## ARTICLE VI

### DEFAULT PROVISIONS AND REMEDIES

Section 6.01 Events of Default. The following shall be “Events of Default” under this Bond Purchase Agreement, and the terms “Event of Default” or “Default” shall mean, when they are used in this Bond Purchase Agreement, any one or more of the following events:

(a) The Issuer or the Institution fails to pay (or cause to be paid) the principal of, or redemption premium or interest on the Bonds when the same shall become due and payable;

(b) (i) Subject to clause (ii) below, the failure by the Institution or the Issuer to observe and perform any covenant, condition or agreement hereunder or in any of the Bond Documents on their respective parts to be observed or performed (except obligations referred to in Section 6.01(a) hereof) for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Institution or the Issuer, as the case may be, by the Bank; provided however, such 30 day cure period shall not apply to an Event of Default under Sections 2.04(d), (e), (g), (i), (m), (p), (q), (u) and each of the items under the Compliance Schedule;

(ii) If the covenant, condition or agreement which the Institution or the Issuer has failed to observe or perform is of such a nature that it cannot reasonably be fully cured within such thirty (30) days, the Institution or the Issuer shall not be in default if the Institution or the Issuer, as the case may be, commences a cure within such thirty (30) days and thereafter diligently proceeds with all action required to complete the cure and, in any event, completes such cure within sixty (60) days of such written notice from the Bank, unless the Bank shall give its written consent to a longer period;

(c) The occurrence of an Event of Default under and as defined in any of the other Bond Documents;

(d) The occurrence of an event of default or an event which with the passage of time or giving of notice, or both, would constitute an event of default under any other agreement heretofore or hereafter entered into between the Institution and the Bank, unless waived by the Bank;

(e) The Issuer, the Institution, or an authorized representative of either, shall have made, in any certificate, statement, representation, warranty or financial statement furnished to the Bank in connection with the financing of the Facility, a material representation which proves to have been false or misleading as of the time such statement was made, or any such certificate, statement, representation, warranty or financial statement shall omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and, if by reason of the nature of the false or misleading material representation, such material representation thereof can be remedied, failed to remedy within thirty (30) days after written notice of has been given to the Issuer and the Institution specifying the nature of same by the Bank, and, if by reason of the nature thereof the same can be remedied, but not within the said

thirty (30) days, the Institution fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within sixty (60) days of delivery of said notice; or

(f) If the Institution (i) fails to pay any indebtedness for borrowed money (other than as arising under any of the other Bond Documents or any other agreement with the Bank) owing by the Institution in excess of \$250,000 when due, whether at maturity, by acceleration, or otherwise; or (ii) fails to perform any term, covenant, or agreement on its part to be performed under any agreement or instrument (other than this Bond Purchase Agreement, any other Bond Document or any other agreement with the Bank) evidencing, securing or relating to such indebtedness when required to be performed, or is otherwise in default thereunder, if the effect of such failure is to accelerate, or to permit the holder(s) of such indebtedness or the trustee(s) under any such agreement or instrument to accelerate, the maturity of such indebtedness, unless waived by such holder(s) or trustee(s);

(g) Reserved;

(h) If the Institution (i) is adjudicated a debtor or insolvent, or ceases, is unable, or admits in writing its inability, to pay its debts as they mature, or makes an assignment for the benefit of creditors; (ii) applies for, or consents to, the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property, or any such receiver, trustee, or similar officer is appointed without the application or consent of the Institution; (iii) institutes, or consents to the Institution of, by petition, application, or otherwise, any bankruptcy reorganization, arrangement, readjustment of debt, dissolution, liquidation, or similar proceeding relating to it under the laws of any jurisdiction; (iv) has any such proceeding described in clause (iii) instituted against it and such proceeding remains thereafter undismissed for a period of sixty (60) days; or (v) has any judgment, writ, warrant of attachment or execution or similar process issued or levied against a substantial part of its property and such judgment, writ, or similar process is not released, or fully bonded within sixty (60) days after its issue or levy;

(i) If the Institution shall dissolve or liquidate, or be dissolved or liquidated, or cease to legally exist, or merge, consolidate or convert, or be merged, consolidated or converted with or into any other corporation or entity without the Bank's prior written consent;

(j) Reserved.

(k) If judgment or judgments for the payment of money in excess of \$25,000 (which the Bank determines to not be covered by insurance or as to which the insurer has given notice of a denial) is rendered against the Institution, and any such judgment shall remain unsatisfied and in effect for any period of ten (10) consecutive days without a stay of execution;

(l) Any event of default shall occur under any other agreements relating to any Indebtedness now or hereafter owed by the Institution to the Bank;

(m) Any levy, seizure, attachment, garnishment, execution or similar process shall be issued or levied on any of the Institution's property and is not dismissed, bonded over or otherwise addressed in a manner satisfactory to the Bank within thirty (30) days thereof; or

- (n) Any event occurs which results in a Material Adverse Effect.

Section 6.02 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default, the Bank may by notice in writing delivered to the Issuer and the Institution declare the Bonds immediately due and payable without protest, presentment, any further notice or demand, all of which to the extent permitted by law, are expressly waived by the Issuer. In such event, there shall be due and payable the total principal amount of the Bonds, all interest accrued thereon and which will accrue thereon to the date of payment and all other amounts due thereunder.

(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 Bond Purchase Agreement, the Bank may, at its sole option, annul in writing such declaration and its consequences if (i) monies shall have been paid to the Bank in an amount sufficient to pay all matured installments of interest and principal (other than principal then due only because of such declaration) of the Bonds and all other amounts due thereunder; (ii) including attorney's fees due to default monies shall have been paid to the Bank sufficient to pay the reasonable charges, compensation, expenses, disbursements, advances and liabilities of the Bank; (iii) monies shall have been paid to the Bank sufficient to pay the cost of attorneys' fees; (iv) all other amounts then payable by the Issuer hereunder shall have been paid; and (v) every other Event of Default known to the Bank (other than a default in the payment of the principal of the Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Bank. No such annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereto.

Section 6.03 Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default or event which but for the passage of time, the giving of notice or both would constitute an Event of Default, the Bank may cease to make any further advances of Bond Proceeds under this Bond Purchase Agreement.

(b) Upon the occurrence and continuance of any Event of Default, the Bank may proceed forthwith to protect and enforce its rights under the Act, the Bonds, this Bond Purchase Agreement, and each of the other Bond Documents by such suits, actions or proceedings as the Bank, being advised by counsel, shall deem necessary, expedient or desirable.

(c) The Bank may sue for, enforce payment of and receive any amounts due or becoming due from the Issuer or the Institution for principal, interest or otherwise under any of the provisions of the Bonds, this Bond Purchase Agreement, or any of the other Bond Documents, without prejudice to any other right or remedy of the Bank.

Section 6.04 Application of Monies. The Net Proceeds received by the Bank pursuant to any right given or action taken under the provisions of this Article VI shall, during the continuance of an Event of Default, be applied to the payment of the fees (including reasonable attorneys' fees) incurred by the Bank, late charges and expenses of the Bank and then to the

payment of interest on the Bonds then due and payable and all other amounts due thereunder, and the balance thereof to be applied in reduction of principal then due and payable.

Section 6.05 Remedies Not Exclusive. No remedy conferred upon or reserved to the Bank by this Bond Purchase Agreement 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 Bank now or hereafter existing at law or in equity or by statute.

Section 6.06 Termination of Proceedings. In case any proceeding taken by the Bank on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bank, then the Issuer, the Institution, and the Bank shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Bank shall continue as if no such proceeding had been taken.

Section 6.07 Waivers: No Additional Waiver Implied by One Waiver.

(a) The Bank may at its discretion, by a written instrument executed by its duly Authorized Representative, waive any Event of Default hereunder and its consequences and annul any acceleration in accordance with Section 6.02 hereof. No such waiver shall extend to or affect any other existing or any subsequent Event of Default.

(b) No delay or omission of the Bank to exercise any right or power accruing upon any Event of Default shall impair any such right or power nor 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 VI to the Bank may be exercised from time to time and as often as may be deemed necessary, expedient or desirable.



## ARTICLE VII

### MISCELLANEOUS

Section 7.01 Institution to Pay Expenses. The Institution agrees to pay (a) the reasonable fees and expenses of the Bank and its counsel, the Issuer and its counsel, and all other reasonable costs and expenses incidental to the financing hereunder, the issuance of the Bonds and the costs of producing the documents referred to herein, including the fees and expenses of Bond Counsel plus disbursements; (b) all taxes, if any, upon all documents and transactions pursuant to, or contemplated by, this Bond Purchase Agreement; (c) all expenses of all recordings and filings pursuant to or contemplated by this Bond Purchase Agreement; (d) appraisal and environmental review fees and expenses and (e) all costs of collection in the event of the occurrence of an Event of Default under this Bond Purchase Agreement.

Section 7.02 Recording and Filing.

(a) The Issuer shall cause to be recorded or filed, as the case may be, in the appropriate office, this Bond Purchase Agreement, the Mortgage and all other security instruments and financing statements in such manner and in such places as may be required by law to perfect the security interests contemplated herein and therein.

(b) The Bank shall 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 to protect and maintain in force all such security interests.

Section 7.03 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Purchase Agreement or the Bonds is intended or shall be construed to give to any Person, other than the parties hereto, and their successors and assigns, any right, remedy or claim under or with respect to this Bond Purchase Agreement or any covenants, conditions and provisions herein contained. This Bond Purchase Agreement and all of the covenants, conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their successors and assigns as herein provided.

Section 7.04 Severability.

(a) If any provision of this Bond Purchase Agreement 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 Bond Purchase Agreement shall not affect the remaining portion of this Bond Purchase Agreement or any part thereof.

Section 7.05 Notices. All notices, certificates or other communications hereunder shall be in writing and shall be (a) delivered personally, or (b) sent by United States Postal Service

prepaid, first-class mail, or by registered or certified mail, return receipt requested, or (c) sent overnight via substantial national delivery service, addressed as set forth immediately following this paragraph, or at such other addresses as the Issuer, the Institution or the Bank shall otherwise have given notice as herein provided:

To the Issuer:

Nassau County Local Economic Assistance  
Corporation  
1550 Franklin Avenue, Suite 235  
Mineola, New York 11501  
Attention: Chief Executive Officer

With a copy to:

Phillips Lytle LLP  
1305 Franklin Avenue, Suite 200  
Garden City, New York 11530  
Attention: Milan K. Tyler, Esq.

To the Institution:

Life's W.O.R.C., Inc.  
1501 Franklin Avenue  
Garden City, New York 11530  
Attention: Executive Director

With a copy to:

Moritt Hock & Hamroff LLP  
400 Garden City Plaza,  
Garden City, New York 11530  
Attention: Seth P. Stein, Esq.

To the Bank:

Israel Discount Bank of New York  
511 Fifth Avenue  
New York 10017  
Attn: Steven Broad

With a copy to:

Windels Marx Lane & Mittendorf, LLP  
156 West 56<sup>th</sup> Street  
New York, New York 10019  
Attention: Michele Arbeen, Esq.

All notices shall be deemed given on the date of personal delivery or, if mailed, five (5) days after mailing, or if given by overnight service, on the date of receipt as indicated by the records of the overnight delivery service.

A duplicate copy of each notice, certificate or other communication given hereunder by any of the parties hereto to the addressee of such notice, certificate or other communication, shall be given to the remaining party hereto. The Issuer, the Institution and the Bank may by notice hereunder designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. At such time, if any, as the Bank is no longer the Holder, the party hereto giving the notice, certificate, or other communication, shall send a duplicate thereof to the Holder at the address shown on the books of the Issuer.

Section 7.06 Counterparts. This Bond Purchase 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. Any executed counterpart may be introduced into evidence in any action or proceeding without having to produce any of the other counterparts.

Section 7.07 Applicable Law. This Bond Purchase Agreement shall be governed exclusively by the applicable laws of the State. The parties irrevocably and voluntarily waive any right they may have to a trial by jury in respect of causes of action arising hereunder or under the Bonds. WHETHER THE CLAIM IS DECIDED BY ARBITRATION OR BY TRIAL BY A JUDGE, THE PARTIES AGREE AND UNDERSTAND THAT THE EFFECT OF THIS AGREEMENT IS THAT THEY ARE GIVING UP THE RIGHT TO TRIAL BY JURY TO THE EXTENT PERMITTED BY LAW.

The Institution shall indemnify the Bank, its parent and Subsidiaries and the Issuer and each of their respective officers, directors, employees agents, successors, attorneys, consultants and assigns (each, an "Indemnified Party") and defend and hold each Indemnified Party harmless from and against all claims, injury, damage, judgments, loss and liability, cost and expense (including attorneys' fees, costs and expenses and included the allocated cost of in-house counsel) of any and every kind to any persons or property by reason or arising directly or indirectly out of (a) any breach of representation or warranty, Event of Default under this Bond Purchase Agreement, the Bonds, the Bond Documents or any document required hereunder or (b) any other matter arising in connection with the Bond Purchase Agreement, the Bonds, the Bond Documents, or the Institution. No Indemnified Party shall be entitled to be indemnified against its own gross negligence or willful misconduct.

Section 7.08 Additional Charges. If, at any time, the rate of interest, together with all amounts which constitute interest and which are reserved, charged or taken by the Bank as compensation for fees, services or expenses incidental to the making, negotiating or collection of the loan evidenced hereby, shall be deemed by any competent court of law, governmental agency or tribunal to exceed the maximum rate of interest permitted to be charged by the Bank to the Issuer and/or the Institution under applicable law, then, during such time as such rate of interest would be deemed excessive, that portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest so permitted shall be deemed a voluntary prepayment of principal. As used herein, the term "applicable law" shall mean the law in effect as of the date hereof; provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then this Bond Purchase Agreement shall be governed by such new law as of its effective date.

Section 7.09 Amendment. This Bond Purchase Agreement may not be amended, changed, modified, altered or terminated except by written instrument duly executed and delivered by the parties hereto.

Section 7.10 No Recourse; Special Obligation of Issuer.

(a) All covenants, stipulations, promises, agreements and obligations (collectively, for purposes of this Section 7.10 only, the "Obligations") of the Issuer contained in the Bond Documents or in any other instruments in connection therewith and any amendments or supplements thereto shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, officer, servant or employee of the Issuer (collectively, the "Employee of the Issuer") in his individual capacity, and no recourse under or upon any Obligation in the Bond Documents contained or otherwise based upon or in respect of this Bond Purchase Agreement or the other Bond Documents, or for the Bonds, or for any claim

based thereon or otherwise in respect hereof or thereof, shall be had against any past, present or future Employee of the Issuer, as such, or of any successor public benefit corporation or political subdivision or any person executing any of the Bond Documents, either directly or through the Issuer or any successor public benefit corporation or political subdivision or any person so executing the Bonds or any other of such Bond Documents on behalf of the Issuer, it being expressly understood that the Bond Documents and the Bonds issued thereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by any such Employee of the Issuer or of any successor public benefit corporation or political subdivision or any person so executing the Bond Documents because of the creation of the indebtedness thereby authorized, or under or by reason of the Obligations contained in the Bond Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such Employee of the Issuer because of the creation of the indebtedness authorized by the Bond Documents, or under or by reason of the Obligations contained in any of the Bond 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 Bond Documents and the issuance of the Bonds.

(b) The Obligations of the Issuer contained herein shall not constitute or give rise to an Obligation of the State of New York or Nassau County, New York, and neither the State of New York nor Nassau County, New York shall be liable thereon, and further such Obligations 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 revenues of the Issuer derived and to be derived from this Bond Purchase Agreement and the Bonds.

(c) Notwithstanding any provision of this Bond Purchase Agreement to the contrary, the Issuer shall not be obligated to take any action pursuant to any provision hereof unless (i) the Issuer shall have been requested to do so in writing by the Institution or the Bank and (ii) if compliance with such request is reasonably expected to result in the incurrence by the Issuer (or any member, officer, agent (other than the Institution), servant or employee of the Issuer) of any liability, fees, expenses or other costs, the Issuer shall have received from the party making such request security, or indemnity satisfactory to the Issuer for protection against all such liability and for the reimbursement of all such fees, expenses and other costs. The failure to provide such indemnity, however, shall not prevent the occurrence or continuance of an Event of Default hereunder or the full force and effect of any of the remedies or actions authorized hereunder to be taken by the Bank as a result of such Event of Default.

Section 7.11 Table of Contents and Section Headings not Controlling. The Table of Contents and the Headings of the several Articles and Sections of this Bond Purchase Agreement 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 Bond Purchase Agreement.

Section 7.12 Survival. This Bond Purchase Agreement shall survive the purchase and sale of the Bonds and shall remain in full force and effect until the Bonds together with interest thereon and all amounts payable under this Bond Purchase Agreement and all of the other Bond Documents shall have been paid in full.

Section 7.13 Participation. Notwithstanding any other provision of this Bond Purchase Agreement, the Issuer and the Institution understand that the Bank may at any time enter into participation agreements with one or more participating banks, financial institutions, insurance companies or other Persons whereby the Bank will allocate to each such participant certain percentages of the payment obligations of the Institution under this Bond Purchase Agreement and the Bonds. Notwithstanding any such participation, the Institution and the Issuer shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Bond Purchase Agreement and any and all rights of the owner of the Bonds under the Bond Documents may be exercised by the Bank only.

Section 7.14 OFAC and Patriot Act 326 (PA 326).

(a) PAC326. The Institution shall be subject to the Bank's identity verification requirements. The Institution hereby acknowledges that upon opening an account with any entity within the Bank's family of companies, the Bank will require the following information for the Institution: business name, business address, business tax identification number and business phone number. For the Authorized Representatives, the Bank requires the following information: individual's name, individual's address, identification information and date of birth.

(b) OFAC. The Institution and its collateral owners; guarantors; co-signors; receiving and sending parties; general partners, managing members, and trustees; and limited partners, managing members and beneficiaries holding interest; against the US Department of Treasury's list for Specially Designated Nationals and Blocked Persons.

Section 7.15 Governing Law; Consent To Jurisdiction And Venue.

The Institution agrees that any controversy arising under or in relation to this Bond Purchase Agreement shall be litigated exclusively in the Project Jurisdiction. The state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have exclusive jurisdiction over all controversies which shall arise under or in relation to this Bond Purchase Agreement. Borrower irrevocably consents to service, jurisdiction, and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit the Issuer's or the Bank's right to bring any suit, action or proceeding relating to matters arising under this Bond Purchase Agreement against the Institution or any of the Institution's assets in any court of any other jurisdiction.

Section 7.16 Miscellaneous Additional Representations, Warranties and Covenants of the Institution.

The Institution hereby represents, warrants, covenants and agrees as follows:

(a) The Institution shall not take any action, or neglect to take any action, including, without limitation, the employment of any contractor, if such action or inaction results in jurisdictional disputes or strikes or labor disharmony among workers employed in connection with the Project.

(b) The Institution agrees, (i) at the sole expense of the Institution, to erect signage at the Facility during the construction, renovation, installation and equipping of the Facility, which signage shall be in form and content reasonably satisfactory to the Issuer and shall identify the Issuer and its role in the Project, (ii) at the option of the Issuer and at the sole expense of the Institution, to install at or within the Facility a sign or plaque permanently memorializing the Issuer's role in the Project, which sign or plaque shall be in form, size, and content, and placed in a location reasonably satisfactory to the Issuer and the Institution, and (iii) that the Agency may otherwise publicize the Issuer's role in the Project.

(c) The Institution is not a Prohibited Person and no affiliate of the Institution is a Prohibited Person and no member, partner or shareholder, as the case may be, of the Institution is a Prohibited Person.

(d) It shall be an Event of Default hereunder if the Institution or any affiliate thereof or any director, member, manager or shareholder of the Institution or any affiliate, as the case may be, shall become a Prohibited Person.

(e) Neither the Institution nor any affiliate of the Institution has employed or retained any appointed or elected governmental official to solicit or secure the Issuer's undertaking of the Project or its agreement to enter into this Bond Purchase Agreement or any other Bond Document upon an agreement of understanding for a commission or percentage, brokerage or contingent fee.

[Signature page to Bond Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Bond Purchase Agreement to be executed in their respective names by their duly Authorized Representatives, and have caused this Bond Purchase Agreement to be dated as the date first set forth above.

**NASSAU COUNTY LOCAL ECONOMIC  
ASSISTANCE CORPORATION**

By: \_\_\_\_\_

Name: Joseph J. Kearney

Title: Chief Executive Officer

STATE OF NEW YORK     )  
COUNTY OF NASSAU    ) ss:

On the 26<sup>th</sup> day of June the year 2014 before me, the undersigned, personally appeared JOSEPH J. KEARNEY, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



\_\_\_\_\_  
Notary Public


[Signature Page to Bond Purchase Agreement]

**LIFE'S W.O.R.C., INC.**

By:   
Name: Janet Koch  
Title: Chief Financial Officer

STATE OF NEW YORK     )  
COUNTY OF NASSAU    ) ss:

On the 27<sup>th</sup> day of June the year 2014 before me, the undersigned, personally appeared Janet Koch, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

**RICHARD J. BIONDI**  
Notary Public State of New York  
No. 01BI5005419  
Qualified in Suffolk County  
Commission Expires December 7, 2014



[Signature Page to Bond Purchase Agreement]

ISRAEL DISCOUNT BANK OF NEW YORK

By: 

Name: Steven Broad

Title: Senior Vice President

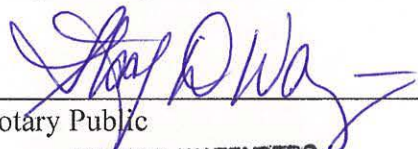
By: 

Name: Suny Golovinsky

Title: Assistant Vice President

STATE OF NEW YORK     )  
COUNTY OF ~~NASSAU~~ *NY*     ) ss.:

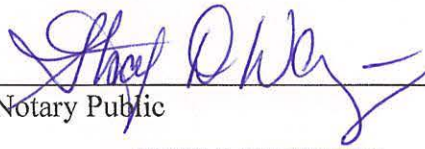
On the 25<sup>th</sup> day of June the year 2014 before me, the undersigned, personally appeared Steven Broad, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

STACY D. WATENBERG  
Notary Public, State of New York  
No. 01WA5019011  
Qualified in Westchester County  
Commission Expires: *10/12/17*

STATE OF NEW YORK     )  
COUNTY OF ~~NASSAU~~ *NY*     ) ss.:

On the 25<sup>th</sup> day of June the year 2014 before me, the undersigned, personally appeared Suny Golovinsky, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to in the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

  
Notary Public

STACY D. WATENBERG  
Notary Public, State of New York  
No. 01WA5019011  
Qualified in Westchester County  
Commission Expires: *10/12/17*

**EXHIBIT A**  
**BOND**  
**SERIES 2014C-1**

THIS BOND HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 AND IT MAY NOT BE TRANSFERRED EXCEPT UPON EITHER SUCH REGISTRATION OR AN OPINION OF COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED AND THAT SUCH TRANSFER WILL NOT RESULT IN A VIOLATION OF THE SECURITIES ACT OF 1933.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION \$1,643,000 PRINCIPAL AMOUNT TAX-EXEMPT REVENUE BONDS (ALLIANCE OF LONG ISLAND AGENCIES, INC., LIFE'S W.O.R.C., INC. PROJECT), SERIES 2014C-1 (THE "BOND" OR "SERIES 2014C-1 BOND" OR "BONDS")

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION, a not-for-profit corporation of the State of New York (the "Issuer"), acknowledges itself indebted and for value received does hereby promise to pay, but solely from the sources and revenues as hereinafter provided, to the order of ISRAEL DISCOUNT BANK OF NEW YORK (the "Holder" or the "Bank"), or its registered assigns, the principal sum of \$1,643,000 or so much thereof as has been advanced pursuant to the terms of the Bond Purchase Agreement (as defined below), plus interest at a per annum rate as set forth herein.

Principal Amount: \$1,643,000

Dated Date: June 30, 2014

Maturity Date: June 1, 2029

Interest Rate: 3.8% per annum

Interest shall be calculated on the basis of a 360 day year, for the "actual number of days elapsed" (such phrase, as used throughout the Bond, shall mean that in computing interest for the subject period, the interest shall be multiplied by a fraction, the denominator of which is 360, and the numerator of which is the actual number of days elapsed from the date of the first disbursement of the Bond Proceeds or the date of the preceding interest and/or principal due date, as the case may be, to the date of the next interest and/or principal due date). Interest shall accrue until the date of receipt of payment.

Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Bond Purchase Agreement (defined below).

## PAYMENT OF PRINCIPAL AND INTEREST

The Institution shall pay interest, premium, if any, and the principal of the Bonds in accordance with the terms thereof and herein. Principal and interest shall be paid in monthly installments commencing on August 1, 2014 and continuing on the first (1<sup>st</sup>) Business Day of each month thereafter through and until the Maturity Date, when the entire unpaid principal balance hereof and all accrued and unpaid interest hereon shall be due and payable. All payments shall be applied first to the payment of interest in arrears and then to the payment of principal. Principal and interest shall be paid in accordance Amortization Schedule attached hereto as **Schedule A**. Changes to the Bond Amortization Schedule shall be approved by the Issuer, the Institution and the Bank. The Bank shall invoice the Institution on a monthly basis.

## OPTIONAL PREPAYMENT

At the option of the Institution, upon thirty (30) days written notice to the Bank, the Bonds may be prepaid in whole or in part on any Business Day, at 100% of the principal amount thereof plus accrued interest to the date of redemption, plus, the greater of (i) one percent (1.00%) of the principal amount of Bonds being prepaid multiplied by the "Remaining Term", as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest Rate". If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed prepayment charge" due to the Purchaser of the Bonds upon prepayment of all or any portion of the principal of the applicable Bonds, plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

Yield Maintenance Fee = Amount Being Prepaid x (Stated Interest Rate – Current Cost of Funds) x Days in the Remaining Term/360 days + any accrued interest due.

"Remaining Term" as used herein shall mean the number of days from the prepayment date of the Bonds, as applicable, to the Maturity Date of the Bonds, as applicable.

"Stated Interest Rate" as used herein means the interest rate accruing on the outstanding principal balance of the Bonds.

## INCREASE IN INTEREST RATE IF AN EVENT OF TAXABILITY OCCURS

If there shall occur an Event of Taxability (as hereafter defined), the rate of interest on this Bond shall be adjusted, to the extent permitted by law to the Taxable Rate (as hereinafter defined) commencing with the first day of the calendar month immediately succeeding the calendar month in which notification is given by the Holder to the Issuer that an Event of Taxability has occurred. In addition, there shall be paid to the Holder or former Holders of this Bond upon demand by any such Holder or former Holders therefor (i) an amount equal to (A) the aggregate amount which would have been payable as interest on this Bond if interest on this Bond had accrued at the Taxable Rate during the period commencing with the Tax Incidence Date (as hereinafter defined) and ending on the earlier of (1) the maturity of this Bond or (2) the date of payment of the amount described in this clause (i), less (B) the amount of the interest on this Bond previously received by the Holder or former Holders of this Bond for such period; and (ii) there shall be paid to the Holder or former Holders of this Bond upon demand by any such Holder or former Holders of this Bond any Additions to Tax (as hereinafter defined) paid or payable by any such Holder or former Holders as a consequence of the failure of such Holder or former Holders to include the interest on or any amount in respect of interest on this Bond held by such Holder or former Holder as gross income in its Federal tax return for any relevant period prior to notice to the Bank of an Event of Taxability.

For the purposes of the preceding paragraph the following terms have the following defined meanings:

“Additions to Tax” means any penalties, fines, additions to tax, interest and additional amount described in Chapter 68 of the Internal Revenue Code of 1986, as amended, and in any similar state statute with respect to state income or franchise tax.

“Event of Taxability” means (A) the enactment of a statute or promulgation of a regulation eliminating, in whole or in part, the applicable exemption, as such exists on the Closing Date, from gross income for federal income tax purposes for interest payable under the Bond, (B) a “final determination by decision or ruling by a duly constituted administrative authority” to the effect that such exemption for interest payable under the Bond is not available, is no longer available or is contrary to law, (C) the expiration of the right to further administrative review of any determination, decision or ruling to the effect that such exemption for interest payable under the Bond is not available, is no longer available or is contrary to law, or (D) receipt by the Holder of a written opinion of Bond counsel that there is no longer a basis for the Holder (or any former Holder) to claim that any interest paid and payable on the Bond is not excluded from gross income for federal income tax purposes.

For the purposes of item (B) above, a “final determination by decision or ruling by a duly constituted administrative authority” shall mean (1) the issuance of a ruling (including, but not limited to, a revenue ruling or a letter ruling by the Internal Revenue Service (“IRS”) or any successor thereto, or (2) the issuance of a preliminary notice of proposed deficiency (“30-Day Letter”), a statutory notice of deficiency (“90-Day Letter”), or other written order or directive of similar force and effect by the IRS, or any other United States Governmental Agency having jurisdiction therein.

Nothing in this definition of “Event of Taxability” shall be construed to mean that the Holder shall have any obligation to contest or appeal any assertion or decision that any interest payable under the Bonds is subject to taxation.

“Taxable Rate” and/or “Default Rate” means the greater of five percent (5.00%) in excess of the Prime Rate or eight percent (8.00%).

“Tax Incidence Date” means the first date on which, as a result of an Event of Taxability, interest on the Bond is includable in the gross income of the recipient thereof for Federal income tax purposes.

#### MANDATORY PREPAYMENT WITHOUT PENALTY

This Bond shall be subject to mandatory prepayment in whole or in part on any Business Day, in an amount equal to (i) the amount, if any, by which the Bond Proceeds exceed the amount required to pay the Cost of the Facility advanced pursuant to Article IV of the Bond Purchase Agreement (as hereinafter defined); (ii) the amount, if any, received by the Institution from any capital campaign pledge restricted to the Project; (iii) the amounts received from or on behalf of contractors or subcontractors, as provided in the Bond Purchase Agreement (except to the extent that the Institution is entitled to reimbursement from such Net Proceeds for certain expenses); (iv) the amount, if any, by which the Net Proceeds of any insurance or any condemnation award with respect to the Facility exceed the cost of repairing or restoring the Facility, as provided in the Bond Purchase Agreement; or (v) the amount, if any, of the Net Proceeds of title insurance covering the Facility. In addition, accrued interest to the date of such prepayment shall be paid on the amount of such prepayment.

#### LATE PAYMENT FEE IN EVENT OF LATE PAYMENT

The Institution shall pay a late payment charge of six cents (\$.06) for each dollar (\$1.00) of each payment that is made more than fifteen (15) days after the due date thereof, which charge shall be due and payable with each such late payment.

If the Issuer fails to pay or cause to be paid any late charge, the Holder may add such charge to the amount owing on any future payment. The Holder’s assessment and/or collection of late charges hereunder shall in no way impair its right to pursue other remedies upon default.

Payment of the principal of this Bond, including any amounts prepaid, and interest thereon, shall be made at the office of Israel Discount Bank of New York, 511 Fifth Avenue, New York, New York 10017 (the “Bank” or “Holder”), or at such other place as the Bank, or its registered assigns, from time to time, have designated in writing sent to the Issuer and the Institution by certified or registered mail, return receipt requested. The principal of and interest on this 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.

The Issuer authorized the issuance of the Bonds pursuant to a bond resolution, duly adopted on June 19, 2014, (the “Bond Resolution”) and are issued in accordance with a Bond Purchase and Loan Agreement, dated June 30, 2014 (the “Bond Purchase Agreement”), by and

among the Issuer, Life's W.O.R.C., Inc. (the "Institution") and the Bank for the purposes of financing a certain Project (as defined in the Bond Purchase Agreement).

As security for the Bonds and the Institution's obligations under the Bond Purchase Agreement, (i) the Institution has granted to the Issuer a mortgage lien on and security interest in the Facility and certain other properties of the Institution pursuant to a certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2014, from the Institution to the Issuer (the "Mortgage"); which mortgage lien and security interest has been assigned by the Issuer to the Bank pursuant to a certain Assignment of Mortgage, dated June 30, 2014, from the Issuer to Bank (the "Assignment of Mortgage"), and (ii) the Institution has granted to the Bank a security interest in the Pledged Collateral (as defined in the hereinafter defined Pledge and Security Agreement), pursuant to the terms of a certain Pledge and Security Agreement; and

Each of the Mortgage and the Assignment of Mortgage, are recorded in the Office of the County Clerk of Nassau County, New York.

The Bond Purchase Agreement, among other things, provides that Bond Proceeds shall be disbursed in accordance with the Bond Purchase Agreement to pay the Costs of the Project, but only upon satisfaction of the requirements set forth in the Bond Purchase Agreement for making such disbursements.

The Issuer and the Institution have entered into a certain Tax Compliance Agreement (the "Tax Compliance Agreement"), dated June 30, 2014, pursuant to which the Issuer and the Institution, for the benefit of the Holders from time to time of the Bonds, have made certain representations and covenants, established certain conditions and limitations and made certain expectations, relating to compliance with the requirements imposed by the Internal Revenue Code of 1986, as amended, and the regulations and rulings of the United States Treasury Department promulgated thereunder (collectively, the "Code") in order to ensure that the interest accruing on this Bond is and remains excluded from gross income for Federal income tax purposes.

Reference is hereby made to the Mortgage, the Assignment of Mortgage, the Pledge and Security Agreement, Tax Compliance Agreement and the Bond Purchase Agreement and to all amendments and supplements thereto (copies of which are on file at the office of the Issuer) for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Institution and the Holder and the terms upon which this Bond is or may be secured. By acceptance of this Bond, the Holder assents to all the provisions of such documents and all amendments and supplements thereto made in accordance with the provisions thereof. By acceptance of this Bond, the Holder assents to, and shall be entitled to the benefits of, all the provisions of such documents and all amendments and supplements thereto made in accordance with the provisions thereof.

This Bond is a special obligation of the Issuer and it is understood and agreed that the Holder shall look exclusively to the Mortgaged Property (as that term is defined in the Mortgage) and the rents, revenues, issues and profits derived therefrom, the Mortgage (as assigned by the Assignment of Mortgage), the Pledge and Security Agreement and such other security as may

from time to time be given for payment of obligations arising out of this Bond, the Mortgage, the Pledge and Security Agreement and the Bond Purchase Agreement, and that any judgment rendered on this Bond, the Mortgage, the Pledge and Security Agreement, the Bond Purchase Agreement or such other security shall be limited to the property pledged by the Mortgage, the Pledge and Security Agreement and any such other security so given for the satisfaction thereof, and that no deficiency or personal judgment shall be sought or rendered against the Issuer, its successors or assigns, or its members, officers, agents (other than the Institution) or employees in any action or proceeding brought on this Bond, or judgment, order or decree rendered pursuant to any such action or proceeding.

THIS BOND IS NOT AND SHALL NOT BE A DEBT OR LOAN OF CREDIT OF THE STATE OF NEW YORK OR NASSAU COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR NASSAU COUNTY, NEW YORK SHALL BE LIABLE HEREON.

The Issuer may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment, including prepayment, of the principal of and interest on this 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 Bond to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary. Notwithstanding anything to the contrary herein contained, "Holder" means, whenever used herein, the registered owner of this Bond.

The Bank, as bond registrar (the "Bond Registrar"), shall register the Bonds in such books and permit the Bonds to be transferred thereon, under such reasonable regulations as the Bank may prescribe. This Bond shall be transferable only upon such books of the Issuer maintained at the office of the Bond Registrar located, on the date hereof, at 511 Fifth Avenue, New York, New York 10017 by the Holder in person or by his attorney duly authorized in writing, upon surrender thereof together with (i) a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the Holder or such duly authorized attorney, (ii) the execution and delivery to the Bond Registrar by the Holder or his duly authorized attorney of instruments of assignment and transfer of the Mortgage and the Pledge and Security Agreement to the transferee of the Bond (iii) if requested by the Issuer or the Institution, the delivery to the Issuer and the Institution (at the sole expense of the Institution) of an opinion of Bond Counsel that such transfer does not and will not require registration of the Bond under any securities laws, (iv) the delivery to the Issuer by the Holder of a certificate signed by the proposed transferee to the effect that such proposed transferee has been provided with all requested disclosure information by the Institution, and (v) payment of all sums due the Holder under the Bond Documents. No such transfer of this Bond shall be valid unless made on such books and similarly noted by endorsement of the Bank on such Bond, or unless, at the expense of the Institution, the Issuer shall execute and deliver a new Bond registered in the name of the transferee.

No covenant or agreement contained in this Bond, the Mortgage, the Assignment of Mortgage, the Pledge and Security Agreement, the Tax Compliance Agreement, or the Bond Purchase Agreement shall be deemed to be the covenant or agreement of any member, officer,

agent (other than the Institution) or employee of the Issuer in his individual capacity. No recourse shall be had for the payment of the principal of or the interest on this Bond or for any claim based hereon or on the Bond Purchase Agreement, the Mortgage, the Assignment of Mortgage, the Pledge and Security Agreement, or the Tax Compliance Agreement against any member, officer, agent or employee, past, present or future, of the Issuer, or of any successor corporation, as such, either directly or through the Issuer or any such successor corporation, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of such members, officers, agents (other than the Institution), or employees being waived and released to the extent permitted by law as condition of, and as consideration for, the execution and delivery of this Bond, the Mortgage, the Assignment of Mortgage, the Pledge and Security Agreement, the Tax Compliance Agreement, and the Bond Purchase Agreement.

It is the intention of the Issuer and the Holder to conform strictly to the usury laws, whether state or federal, that are applicable to this Bond. All agreements between the Issuer and the Holder, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity hereof or otherwise, shall the amount paid or agreed to be paid to the Holder, or collected by the Holder, for the use, forbearance or detention of the money to be loaned hereunder or otherwise, or for the payment or performance of any covenant or obligation contained herein, or in any of the Bond Documents, exceed the maximum amount permissible under applicable federal or state usury laws. If under any circumstances whatsoever fulfillment of any provision hereof or of the Bond Documents, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity; and if under any circumstances the Holder shall ever receive an amount deemed interest by applicable law, which would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury laws shall be applied to the reduction of the principal amount owing hereunder or to other indebtedness secured by the Bond Documents and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal and such other indebtedness, the excess shall be deemed to have been a payment made by mistake and shall be refunded to the Issuer or to any other person making such payment on the Issuer's behalf. All sums paid or agreed to be paid to the Holder hereof for the use, forbearance or detention of the indebtedness of the Issuer evidenced hereby, outstanding from time to time shall, to the extent permitted by applicable law, and to the extent necessary to preclude exceeding the limit of validity prescribed by law, be amortized, pro-rated, allocated and spread from the date of disbursement of the proceeds of this Bond until payment in full of the obligation evidenced hereby, and thereby so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof and thereof.

This Bond may not be waived, changed, modified or discharged orally, but only by agreement in writing, signed by the party against whom any enforcement of any waiver, change, modification or discharge is sought. Modifications, amendments or alterations of the Bond Purchase Agreement or of any supplements thereto, may be made only to the extent and under the circumstances permitted by the Bond Purchase Agreement. It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen or be performed precedent



to and in the issuance, execution and delivery of the Bond Purchase Agreement, the Mortgage, the Pledge and Security Agreement, and the issuance of this Bond and the adoption of the Bond Resolution do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Bond together with all other obligations of the Issuer, does not exceed or violate any constitutional, statutory or corporate limitations.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION has caused this Bond to be executed in its name by the manual signature of its Chief Executive Officer, its corporate seal or a facsimile thereof to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon.

NASSAU COUNTY LOCAL ECONOMIC  
ASSISTANCE CORPORATION

By: \_\_\_\_\_

(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 rights 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: \_\_\_\_\_

\_\_\_\_\_

In the presence of:

**SCHEDULE A**

AMORTIZATION SCHEDULE

<u>Period Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Monthly Total</u>	<u>Annual Total</u>
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[END OF AMORTIZATION SCHEDULE]

**EXHIBIT A-2**

**BOND**  
**SERIES 2014C-2**

THIS BOND HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933 AND IT MAY NOT BE TRANSFERRED EXCEPT UPON EITHER SUCH REGISTRATION OR AN OPINION OF COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED AND THAT SUCH TRANSFER WILL NOT RESULT IN A VIOLATION OF THE SECURITIES ACT OF 1933.

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE  
CORPORATION \$106,000 PRINCIPAL AMOUNT TAXABLE  
REVENUE BONDS (ALLIANCE OF LONG ISLAND  
AGENCIES, INC., LIFE'S W.O.R.C., INC. PROJECT), SERIES  
2014C-2 (THE "BOND" OR "SERIES 2014C-2 BOND" OR  
"BONDS")

NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION, a not-for-profit corporation of the State of New York (the "Issuer"), acknowledges itself indebted and for value received does hereby promise to pay, but solely from the sources and revenues as hereinafter provided, to the order of ISRAEL DISCOUNT BANK OF NEW YORK (the "Holder" or the "Bank"), or its registered assigns, the principal sum of \$106,000 or so much thereof as has been advanced pursuant to the terms of the Bond Purchase Agreement (as defined below), plus interest at a per annum rate as set forth herein.

Principal Amount: \$106,000

Dated Date: June 30, 2014

Maturity Date: June 1, 2019

Interest Rate: 4.55% per annum

Interest shall be calculated on the basis of a 360 day year, for the "actual number of days elapsed" (such phrase, as used throughout the Bond, shall mean that in computing interest for the subject period, the interest shall be multiplied by a fraction, the denominator of which is 360, and the numerator of which is the actual number of days elapsed from the date of the first disbursement of the Bond Proceeds or the date of the preceding interest and/or principal due date, as the case may be, to the date of the next interest and/or principal due date). Interest shall accrue until the date of receipt of payment.

Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Bond Purchase Agreement (defined below).

## PAYMENT OF PRINCIPAL AND INTEREST

The Institution shall pay interest, premium, if any, and the principal of the Bonds in accordance with the terms thereof and herein. Principal and interest shall be paid in monthly installments commencing on August 1, 2014 and continuing on the first (1<sup>st</sup>) Business Day of each month thereafter through and until the Maturity Date, when the entire unpaid principal balance hereof and all accrued and unpaid interest hereon shall be due and payable. All payments shall be applied first to the payment of interest in arrears and then to the payment of principal. Principal and interest shall be paid in accordance Amortization Schedule attached hereto as **Schedule A**. Changes to the Bond Amortization Schedule shall be approved by the Issuer, the Institution and the Bank. The Bank shall invoice the Institution on a monthly basis.

## OPTIONAL PREPAYMENT

At the option of the Institution, upon thirty (30) days written notice to the Bank, the Bonds may be prepaid in whole or in part on any Business Day, at 100% of the principal amount thereof plus accrued interest to the date of redemption, plus, the greater of (i) one percent (1.00%) of the principal amount of Bonds being prepaid multiplied by the "Remaining Term", as hereinafter defined, in years or (ii) a "Yield Maintenance Fee" in an amount computed as follows:

The current cost of funds, specifically the bond equivalent yield for United States Treasury securities (bills on a discounted basis shall be converted to a bond equivalent yield) with a maturity date closest to the "Remaining Term", shall be subtracted from the "Stated Interest Rate". If the result is zero or a negative number, there shall be no Yield Maintenance Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the amount being prepaid times the number of days in the "Remaining Term" and divided by 360. The resulting amount is the "fixed prepayment charge" due to the Purchaser of the Bonds upon prepayment of all or any portion of the principal of the applicable Bonds, plus any accrued interest due as of the prepayment date and is expressed in the following calculation:

$$\text{Yield Maintenance Fee} = \text{Amount Being Prepaid} \times (\text{Stated Interest Rate} - \text{Current Cost of Funds}) \times \text{Days in the Remaining Term} / 360 \text{ days} + \text{any accrued interest due.}$$

"Remaining Term" as used herein shall mean the number of days from the prepayment date of the Bonds, as applicable, to the Maturity Date of the Bonds, as applicable.

"Stated Interest Rate" as used herein means the interest rate accruing on the outstanding principal balance of the Bonds.

## MANDATORY PREPAYMENT WITHOUT PENALTY

This Bond shall be subject to mandatory prepayment in whole or in part on any Business Day, in an amount equal to (i) the amount, if any, by which the Bond Proceeds exceed the amount required to pay the Cost of the Facility advanced pursuant to Article IV of the Bond

Purchase Agreement (as hereinafter defined); (ii) the amount, if any, received by the Institution from any capital campaign pledge restricted to the Project; (iii) the amounts received from or on behalf of contractors or subcontractors, as provided in the Bond Purchase Agreement (except to the extent that the Institution is entitled to reimbursement from such Net Proceeds for certain expenses); (iv) the amount, if any, by which the Net Proceeds of any insurance or any condemnation award with respect to the Facility exceed the cost of repairing or restoring the Facility, as provided in the Bond Purchase Agreement; or (v) the amount, if any, of the Net Proceeds of title insurance covering the Facility. In addition, accrued interest to the date of such prepayment shall be paid on the amount of such prepayment.

#### LATE PAYMENT FEE IN EVENT OF LATE PAYMENT

The Institution shall pay a late payment charge of six cents (\$.06) for each dollar (\$1.00) of each payment that is made more than fifteen (15) days after the due date thereof, which charge shall be due and payable with each such late payment.

If the Issuer fails to pay or cause to be paid any late charge, the Holder may add such charge to the amount owing on any future payment. The Holder's assessment and/or collection of late charges hereunder shall in no way impair its right to pursue other remedies upon default.

Payment of the principal of this Bond, including any amounts prepaid, and interest thereon, shall be made at the office of Israel Discount Bank of New York, 511 Fifth Avenue, New York, New York 10017 (the "Bank" or "Holder"), or at such other place as the Bank, or its registered assigns, from time to time, have designated in writing sent to the Issuer and the Institution by certified or registered mail, return receipt requested. The principal of and interest on this 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.

The Issuer authorized the issuance of the Bonds pursuant to a bond resolution, duly adopted on June 19, 2014, (the "Bond Resolution") and are issued in accordance with a Bond Purchase and Loan Agreement, dated June 30, 2014 (the "Bond Purchase Agreement"), by and among the Issuer, Life's W.O.R.C., Inc. (the "Institution") and the Bank for the purposes of financing a certain Project (as defined in the Bond Purchase Agreement).

As security for the Bonds and the Institution's obligations under the Bond Purchase Agreement, (i) the Institution has granted to the Issuer a mortgage lien on and security interest in the Facility and certain other properties of the Institution pursuant to a certain Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, dated as of June 1, 2014, from the Institution to the Issuer (the "Mortgage"); which mortgage lien and security interest has been assigned by the Issuer to the Bank pursuant to a certain Assignment of Mortgage, dated June 30, 2014, from the Issuer to Bank (the "Assignment of Mortgage"), and (ii) the Institution has granted to the Bank a first priority security interest in the Pledged Collateral (as defined in the Pledge and Security Agreement, as such term is defined in the Bond Purchase Agreement), pursuant to the terms of the Pledge and Security Agreement (the "Pledge and Security Agreement"); and

Each of the Mortgage and the Assignment of Mortgage, are recorded in the Office of the County Clerk of Nassau County, New York.

The Bond Purchase Agreement, among other things, provides that Bond Proceeds shall be disbursed in accordance with the Bond Purchase Agreement to pay the Costs of the Project, but only upon satisfaction of the requirements set forth in the Bond Purchase Agreement for making such disbursements.

Reference is hereby made to the Mortgage, the Assignment of Mortgage, the Pledge and Security Agreement and the Bond Purchase Agreement and to all amendments and supplements thereto (copies of which are on file at the office of the Issuer) for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Institution and the Holder and the terms upon which this Bond is or may be secured. By acceptance of this Bond, the Holder assents to all the provisions of such documents and all amendments and supplements thereto made in accordance with the provisions thereof. By acceptance of this Bond, the Holder assents to, and shall be entitled to the benefits of, all the provisions of such documents and all amendments and supplements thereto made in accordance with the provisions thereof.

This Bond is a special obligation of the Issuer and it is understood and agreed that the Holder shall look exclusively to the Mortgaged Property (as that term is defined in the Mortgage) and the rents, revenues, issues and profits derived therefrom, the Mortgage (as assigned by the Assignment of Mortgage), the Pledge and Security Agreement and such other security as may from time to time be given for payment of obligations arising out of this Bond, the Mortgage, the Pledge and Security Agreement and the Bond Purchase Agreement, and that any judgment rendered on this Bond, the Mortgage, the Pledge and Security Agreement, the Bond Purchase Agreement or such other security shall be limited to the property pledged by the Mortgage, the Pledge and Security Agreement and any such other security so given for the satisfaction thereof, and that no deficiency or personal judgment shall be sought or rendered against the Issuer, its successors or assigns, or its members, officers, agents (other than the Institution) or employees in any action or proceeding brought on this Bond, or judgment, order or decree rendered pursuant to any such action or proceeding.

THIS BOND IS NOT AND SHALL NOT BE A DEBT OR LOAN OF CREDIT OF THE STATE OF NEW YORK OR NASSAU COUNTY, NEW YORK AND NEITHER THE STATE OF NEW YORK NOR NASSAU COUNTY, NEW YORK SHALL BE LIABLE HEREON.

The Issuer may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond shall be overdue or not, for the purpose of receiving payment, including prepayment, of the principal of and interest on this 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 Bond to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary. Notwithstanding anything to the contrary herein contained, "Holder" means, whenever used herein, the registered owner of this Bond.



This Bank, as bond registrar (the "Bond Registrar"), shall register the Bonds in such books and permit the Bonds to be transferred thereon, under such reasonable regulations as the Bank may prescribe. This Bond shall be transferable only upon such books of the Issuer maintained at the office of the Bond Registrar located, on the date hereof, at 511 Fifth Avenue, New York, New York 10017 by the Holder in person or by his attorney duly authorized in writing, upon surrender thereof together with (i) a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the Holder or such duly authorized attorney, (ii) the execution and delivery to the Bond Registrar by the Holder or his duly authorized attorney of instruments of assignment and transfer of the Mortgage and the Pledge and Security Agreement to the transferee of the Bond (iii) if requested by the Issuer or the Institution, the delivery to the Issuer and the Institution (at the sole expense of the Institution) of an opinion of Bond Counsel that such transfer does not and will not require registration of the Bond under any securities laws, (iv) the delivery to the Issuer by the Holder of a certificate signed by the proposed transferee to the effect that such proposed transferee has been provided with all requested disclosure information by the Institution, and (v) payment of all sums due the Holder under the Bond Documents. No such transfer of this Bond shall be valid unless made on such books and similarly noted by endorsement of the Bank on such Bond, or unless, at the expense of the Institution, the Issuer shall execute and deliver a new Bond registered in the name of the transferee.

No covenant or agreement contained in this Bond, the Mortgage, the Assignment of Mortgage, the Pledge and Security Agreement, or the Bond Purchase Agreement shall be deemed to be the covenant or agreement of any member, officer, agent (other than the Institution) or employee of the Issuer in his individual capacity. No recourse shall be had for the payment of the principal of or the interest on this Bond or for any claim based hereon or on the Bond Purchase Agreement, the Mortgage, the Assignment of Mortgage, or the Pledge and Security Agreement, against any member, officer, agent or employee, past, present or future, of the Issuer, or of any successor corporation, as such, either directly or through the Issuer or any such successor corporation, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability of such members, officers, agents (other than the Institution), or employees being waived and released to the extent permitted by law as condition of, and as consideration for, the execution and delivery of this Bond, the Mortgage, the Assignment of Mortgage, the Pledge and Security Agreement, and the Bond Purchase Agreement.

It is the intention of the Issuer and the Holder to conform strictly to the usury laws, whether state or federal, that are applicable to this Bond. All agreements between the Issuer and the Holder, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity hereof or otherwise, shall the amount paid or agreed to be paid to the Holder, or collected by the Holder, for the use, forbearance or detention of the money to be loaned hereunder or otherwise, or for the payment or performance of any covenant or obligation contained herein, or in any of the Bond Documents, exceed the maximum amount permissible under applicable federal or state usury laws. If under any circumstances whatsoever fulfillment of any provision hereof or of the Bond Documents, at the time performance of such provision shall be due, shall involve exceeding the limit of validity prescribed by law, then the obligation

to be fulfilled shall be reduced to the limit of such validity; and if under any circumstances the Holder shall ever receive an amount deemed interest by applicable law, which would exceed the highest lawful rate, such amount that would be excessive interest under applicable usury laws shall be applied to the reduction of the principal amount owing hereunder or to other indebtedness secured by the Bond Documents and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal and such other indebtedness, the excess shall be deemed to have been a payment made by mistake and shall be refunded to the Issuer or to any other person making such payment on the Issuer's behalf. All sums paid or agreed to be paid to the Holder hereof for the use, forbearance or detention of the indebtedness of the Issuer evidenced hereby, outstanding from time to time shall, to the extent permitted by applicable law, and to the extent necessary to preclude exceeding the limit of validity prescribed by law, be amortized, pro-rated, allocated and spread from the date of disbursement of the proceeds of this Bond until payment in full of the obligation evidenced hereby, and thereby so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof and thereof.

This Bond may not be waived, changed, modified or discharged orally, but only by agreement in writing, signed by the party against whom any enforcement of any waiver, change, modification or discharge is sought. Modifications, amendments or alterations of the Bond Purchase Agreement or of any supplements thereto, may be made only to the extent and under the circumstances permitted by the Bond Purchase Agreement. It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen or be performed precedent to and in the issuance, execution and delivery of the Bond Purchase Agreement, the Mortgage, the Pledge and Security Agreement, and the issuance of this Bond and the adoption of the Bond Resolution do exist, have happened and have been performed in due time, form and manner as required by law; and that the issuance of this Bond together with all other obligations of the Issuer, does not exceed or violate any constitutional, statutory or corporate limitations.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION has caused this Bond to be executed in its name by the manual signature of its Chief Executive Officer, its corporate seal or a facsimile thereof to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon.

NASSAU COUNTY LOCAL ECONOMIC  
ASSISTANCE CORPORATION

By: \_\_\_\_\_

(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 rights 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: \_\_\_\_\_

\_\_\_\_\_

In the presence of:

**SCHEDULE A**

AMORTIZATION SCHEDULE

<u>Period Ending</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Monthly Total</u>	<u>Annual Total</u>
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[END OF AMORTIZATION SCHEDULE]

**EXHIBIT B**

**COVENANT COMPLIANCE CERTIFICATE**

**To:** Israel Discount Bank of New York (the "Bank")

**RE:** Bond Purchase Agreement and Loan Agreement (the "Agreement") dated June 30, 2014, by and among Nassau County Local Economic Assistance Corporation, Life's W.O.R.C., Inc. (the "Institution") and the Bank as the same may be amended, restated, supplemented or modified from time to time (the "Agreement"), supporting the \$\_\_\_\_\_ aggregate principal amount of Revenue Bonds (Life's W.O.R.C., Inc. Project), Series 2014C-1 and Series 2014C-2.

In accordance with the provisions of Section 2.04 of the Agreement, the undersigned, an Authorized Representative of the Institution, hereby certifies to the Bank as follows (unless otherwise defined herein, capitalized terms shall have the respective meanings assigned such terms in the Agreement):

1. The Institution is in compliance as of the date hereof with the covenants and representations contained in Section 2.04 of the Agreement and the Compliance Schedule attached to the Agreement as Schedule A.

2. Attached hereto are calculations demonstrating the Institution's compliance as of \_\_\_\_\_, with the Debt Service Coverage Ratio, Minimum Liquidity, and other covenants set forth in the Compliance Schedule attached to the Agreement as Schedule A.

3. No Event of Default under and as defined in the Agreement has occurred.

Dated: \_\_\_\_\_

**LIFE'S W.O.R.C., INC.**

By: \_\_\_\_\_  
Name: Janet Koch  
Title: Chief Financial Officer

## SCHEDULE A

### COMPLIANCE SCHEDULE

1. **Reporting Requirements.** The Institution covenants that the financial statements, including balance sheets referred to in this Section, and any other written statement furnished by the Institution to the Bank will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. The Institution covenants and agrees that, from the date of this Bank Agreement and until the obligations of the Institution to the Bank hereunder or under the Bond Documents are satisfied in full, it will furnish to the Bank the following:

(a) Within ninety (90) days after the end of each fiscal quarter, the consolidated and consolidating (if applicable) income and cash flow statements of the Institution for such fiscal quarter and for the expired portion of the Fiscal Year ending with the end of such fiscal quarter, setting forth in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year, and the consolidated and consolidating (if applicable) balance sheet of the Institution as at the end of such fiscal quarter, setting forth in comparative form the corresponding figures as at the end of the corresponding periods of the previous Fiscal Year, all in reasonable detail and certified by the Institution's chief financial officer to have been prepared from the books and records of the Institution and to be true and correct in all material respects and to fairly present the financial condition of the Institution as of the end of such period;

(b) Within one hundred fifty (150) days after the end of each Fiscal Year of the Institution, the consolidated and consolidating (if applicable) income and cash flow statements of the Institution and its Subsidiaries for such year, and the consolidated and consolidating (if applicable) balance sheet of the Institution and its Subsidiaries as at the end of such Fiscal Year, setting forth in each case in comparative form the corresponding figures as at the end of and for the previous Fiscal Year, all in reasonable detail, including all supporting schedules, and audited by an independent public accounting firm acceptable to Bank, and unqualifiedly certified to have been prepared in accordance with GAAP, and such independent public accountants shall also unqualifiedly certify that in making the examinations necessary to their certification mentioned above they have reviewed the terms of this Bond Purchase Agreement and the accounts and conditions of the Institution during the accounting period covered by the certificate and that such review did not disclose the existence of any condition or event which constitutes a Default or an Event of Default (or if such conditions or events existed, describing them) together with copies of any management letters provided by such accountants to management of the Institution;

(c) Simultaneously with the delivery of each set of financial statements referred to in clause (b) above, a certificate of an Authorized Representative dated the date of delivery in the form of Exhibit B (the "Covenant Compliance Certificate") attaching calculations demonstrating in reasonable detail compliance by the Institution with the Debt Service Coverage Ratio, the Minimum Liquidity, the Additional Indebtedness and the Limitations on Transfers of Mortgaged Property covenants set forth herein and stating whether there exists on the date of

such certificate any Event of Default or such event then exists, setting forth the details thereof and the action that the Institution is taking or proposes to take with respect thereto;

(d) Within thirty (30) days after submittal, copies of any and all financial and tax reporting submitted by or on behalf of the Institution to the Internal Revenue Service, the New York State Attorney General and/or any other regulatory agencies; and (ii) copies of any final third party audit reports which are material to the Institution's operations, including reports by the New York State Office of Persons With Developmental Disabilities or other material regulatory communications;

(e) As soon as available, but in any event not later than thirty (30) days after the end of each Fiscal Year, the annual operating and capital budgets of the Institution for the upcoming Fiscal Year; provided, however, if Institution requests in writing an extension of time for such delivery (each a "Requesting Party"), such Requesting Party shall have an additional thirty (30) day time period to deliver the approved budget to the Bank so long as such Requesting Party provides to the Bank a detailed draft budget prior to the end of the initial sixty (60) day period;

(f) As soon as available, but in any event not later than forty-five (45) days after the end of each fiscal quarter, a statement of the Institution setting forth all of the investments (such as stock, bonds, other securities, mutual funds, money market funds and cash equivalents) including which investments are restricted investments or otherwise excluded assets;

(g) Promptly, notice of any development, financial or otherwise, which may be reasonably expected to have a Material Adverse Effect; and

(h) Such other documentation as may be reasonably requested by the Bank.

2. **Unfunded Capital Expenditures.** The Institution shall not have unfunded capital expenditures in excess of \$500,000 in any Fiscal Year, provided, however, that capital expenditures funded by gifts or grants received by the Institution or supported by a prior property approval from the New York State Office for People With Developmental Disabilities, or the functional equivalent from another governmental agency shall not be considered unfunded for purposes of this subsection.

3. **Additional Indebtedness.** The Institution shall not incur any additional Indebtedness, except as set forth in the next sentence and Institution may incur additional Indebtedness in connection with one or more lines of credit that are secured by the Lien(s) described in and limited to the limits of subparagraph (m) in the definition of Permitted Encumbrances and any party in whose favor such Lien is granted shall become a party to an intercreditor agreement with the Bank. In connection with the incurrence of additional Indebtedness by the Institution in an amount greater than \$500,000 in the aggregate in any Fiscal Year, the Institution covenants and agrees to provide to Bank a pro-forma budget and corresponding calculation that demonstrates that upon the issuance of any such additional



Indebtedness, the Institution will remain in compliance with the Debt Service Coverage Ratio covenant below.

4. **Debt Service Coverage Ratio.** The Institution shall maintain a Debt Service Coverage Ratio of not less than 1.00 to 1.00, which shall be calculated as of June 30th of each year for compliance with such ratio, which compliance shall be certified to the Bank in writing by an Authorized Representative in the Covenant Compliance Certificate.

5. **Limitation on Transfers of Mortgaged Property.** The Institution shall not, without the prior written consent of the Bank, other than as contemplated by this Purchase Agreement, the Bond Documents or Permitted Encumbrances, (i) dispose of, pledge, grant, assign, or undertake or not take any action that would result in the creation of any Lien on the Mortgaged Property, (ii) grant a negative pledge in favor of any third party covering the Mortgaged Property, or (iii) sell, assign, transfer, lease, mortgage, charge, encumber or otherwise dispose of the Mortgaged Property, whether in a single transaction or series of transactions, except for any item of equipment that has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary.

6. **Minimum Liquidity.** The Institution shall maintain Minimum Liquidity of not less than \$2,000,000 measured on (i) December 31st of each Fiscal Year as shown on the internally prepared financial statements and (ii) June 30th of each Fiscal Year as shown on the audited financial statements delivered to the Bank pursuant to Reporting Requirements hereinabove. For purposes of this covenant, "Minimum Liquidity" shall mean unrestricted cash and cash equivalents as categorized on the annual audited and quarterly financial statements of the Institution delivered to the Bank pursuant to Reporting Requirements hereinabove and the value of any investments of the monies held in a debt service reserve fund with the Bank.

7. **Investment Portfolio.** The Institution shall not: (i) execute a negative pledge agreement with any Person covering any of its investment portfolio or (ii) cause or permit or agree or consent to cause or permit in the future (upon the happening of a contingency or otherwise), its investment portfolio, whether now owned or hereafter acquired, to be subject to a Lien or be subject to any claim except for Permitted Encumbrances.

8. **Accounts** Institution shall maintain with the Bank all accounts other than the Institution's payroll and customer accounts.

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**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT  
AND FIXTURE FILING**

From

**LIFE'S W.O.R.C., INC.,**

a not-for-profit corporation organized and existing under the laws of the State of New York, having its principal office at  
1501 Franklin Avenue, Garden City, New York 11530,  
as Debtor

To

**NASSAU COUNTY LOCAL ECONOMIC ASSISTANCE CORPORATION,**

a local development corporation created pursuant to the Not-for-Profit Corporation Law of the State of New York, having  
its principal office at  
1550 Franklin Avenue, Suite 235, Mineola, New York 11501,  
as Issuer

And

**ISRAEL DISCOUNT BANK OF NEW YORK,**

a banking corporation organized and existing under the laws of  
the State of New York, having an address at  
511 Fifth Avenue, New York, New York 10017,  
as Bond Purchaser

Dated as of June 1, 2014

**\$1,643,000**

**Nassau County Local Economic Assistance Corporation  
Tax-Exempt Revenue Bonds**

**(Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project), Series 2014C-1**

and

**\$106,000**

**Nassau County Local Economic Assistance Corporation  
Taxable Revenue Bonds**

**(Alliance of Long Island Agencies, Inc., Life's W.O.R.C., Inc. Project), Series 2014C-2**

Affecting that real property described in the Description of Land  
attached hereto and incorporated herein  
in Nassau County, State of New York

**PHILLIPS LYTTLE LLP**

1305 Franklin Avenue, Suite 200  
Garden City, New York 11530  
Attention: Milan K. Tyler, Esq.

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EXHIBITS

EXHIBIT A — Description of Land

**MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT  
AND FIXTURE FILING**

**This MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING** made and entered into as of the date set forth on the cover page hereof (this "Mortgage") from that entity identified on the cover page hereof as the Debtor to the entities identified on the cover page as the Issuer and the Bond Purchaser, collectively as the Mortgagee (capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement, referred to below):

**W I T N E S S E T H :**

**WHEREAS**, pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law ("N-PCL") of the State of New York (the "State"), as amended (hereinafter collectively called the "Act"), a resolution adopted by the Nassau County Legislature (the "County Resolution"), and pursuant to its duly filed certificate of incorporation (the "Certificate"), the Issuer was established as a not-for-profit local development corporation of the State with the authority and power to own, lease and sell personal and real property for the purposes of, among other things, acquiring, constructing and equipping certain projects exclusively in furtherance of the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, by encouraging the development of, or retention of, an industry in the community or area, and lessening the burdens of government and acting in the public interest; and

**WHEREAS**, the Issuer intends to issue the Bonds pursuant to the Bond Resolution and the Loan Agreement; and

**WHEREAS**, to facilitate the Project and the issuance by the Issuer of the Bonds, the Issuer will make the Loan of the proceeds of the Bonds, in the original principal amount of the Bonds, to the Debtor pursuant to a certain Bond Purchase Agreement and Loan Agreement, dated June 30, 2014, among the Issuer, the Debtor and the Bond Purchaser (as the same may be amended or supplemented, the "Loan Agreement"); and

**WHEREAS**, the proceeds derived from the issuance and sale of the Bonds are to be used to finance a portion of the cost of the Project relating to the Mortgaged Property owned by the Debtor; and

**WHEREAS**, in order to induce the Issuer to issue, and the Bond Purchaser to purchase, the Bonds, the Debtor is entering into this Mortgage; and

**WHEREAS**, pursuant to the Assignment of Mortgage, the Issuer intends to assign to the Bond Purchaser its right, title and interest as Mortgagee under this Mortgage; and

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt of which is hereby acknowledged, and in order to secure:

- (i) payment of the Secured Principal Amount of the Bonds and the indebtedness represented thereby and interest on the Bonds according to their tenor and effect and

the performance and observance by the Issuer of all the covenants expressed or implied in the Bonds and the Loan Agreement, and

(ii) payment, performance and observance of all obligations of the Debtor under the Bond Documents including this Mortgage,

whether now arising or hereafter arising, direct or indirect, absolute or contingent, joint or several, due or to become due, liquidated or unliquidated, secured or unsecured, original, renewed or extended, whether arising directly or acquired from others (all such indebtedness and obligations described in clauses (i) and (ii) above being collectively referred to herein as the “**Obligations**”), the Debtor does hereby grant, bargain, sell, convey, transfer, mortgage, grant a security interest in, pledge and assign to the Issuer and the Bond Purchaser as Mortgagee, and their respective assigns forever, its right, title and interest in and to the following (collectively, the “**Mortgaged Property**”):

## GRANTING CLAUSES

### I

The Facility Realty together with the tenements, hereditaments, servitudes, appurtenances, estate, rights, privileges, liberties, licenses, royalties, mineral, oil and gas rights, water, water rights, reversions, remainders and immunities thereunto belonging or appertaining which may from time to time be owned or leased by the Debtor, including all the right, title and interest of the Debtor in and to all streets, ways, alleys, roads, waters, water courses, water rights, waterways, passages, sewer rights and public places adjoining the Facility Realty and all easements and rights-of-way, public or private, and gores of land, now or hereafter used in connection therewith, together with all land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Facility Realty to the center line thereof, now or hereafter used in connection with the Facility Realty.

### II

The Facility Personalty together with all fixtures, equipment, machinery, apparatus, appliances, fittings, chattels and articles of personal property of every kind and nature useable in connection with the operation of the improvements now or hereafter located at the Facility Realty, and all building materials and supplies of any nature whatsoever whether now owned or hereafter acquired, now or hereafter attached to, or used or usable in connection with any present or future operation or occupancy of the Facility Realty and owned by the Debtor or in which the Debtor has or shall have an interest and all renewals and replacements thereof and additions and accessions thereto, including without limitation all partitions, elevators, lifts, steam and hot water boilers, heating and air conditioning equipment, lighting and power plants, engines, motors, compressors, ducts, coal, oil and gas burning apparatus, pipes, pumps, plumbing, radiators, sinks, bath tubs, water closets, refrigerators, gas and electrical fixtures, communications apparatus, stoves, ranges, shades, screens, awnings, vacuum cleaning system, and sprinkler system or other fire prevention or extinguishing apparatus and materials, all of which shall be deemed to be, remain and form a part of the Facility Realty and are covered by the lien of this Mortgage.

### III

All property insurance proceeds, awards, payments and other compensation payments, including interest thereon, and the right to receive the same, which are heretofore or hereafter made with respect to the Facility Realty as a result of or in lieu of any taking by eminent domain (including any transfer made in lieu of the exercise of said right), the alteration of the grade of any street, or any other damage or injury to or decrease in the value of the Facility Realty or the occurrence of any loss event, to

the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by the Mortgagee, and of the reasonable attorneys' fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment, subject to the terms of the Loan Agreement as to the application of all such amounts so received.

#### IV

All right, title and interest of the Debtor in and to (a) any and all present and future leases of space in any building(s) on or to be erected upon the Facility Realty; (b) any and all present and future subleases of space in any building(s) on or to be erected upon the Facility Realty; (c) all rents, issues and profits payable under any such leases and subleases; (d) any contracts for the sale of all or any portion of the Facility Realty or any building(s) or portions thereof on or to be erected upon the Facility Realty ("Sale Contracts"); and (e) any interest of the Debtor in contracts, agreements or other arrangements with architects, engineers and other professionals responsible for the design and supervision of any work done or to be done at the Facility Realty. Nothing in this paragraph is intended to constitute the consent of the Issuer or the Bond Purchaser to any such leases, subleases or sale contracts.

#### V

All right, title and interest of the Debtor in all proceeds of any unearned premiums on any insurance policies (other than liability insurance policies) concerning the Mortgaged Property, including, without limitation, the right to receive and apply the proceeds of any property insurance, judgments or settlements made in lieu thereof, for damages to the Mortgaged Property, subject, however, to the terms of the Loan Agreement.

#### VI

All right, title and interest of the Debtor in all construction contracts, payment bonds, performance bonds, surety bonds, warranties, guarantees, maintenance, repair or replacement agreements and other contractual obligations of any contractor, subcontractor, surety, guarantor, manufacturer, dealer, laborer, supplier or materialman made with respect to the Mortgaged Property or any part thereof.

#### VII

All the right, in the name and on behalf of the Debtor, to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to commence any action or proceeding to protect the interest of the Mortgagee in the Mortgaged Property.

#### VIII

Any and all air rights, development rights, zoning rights or other similar rights or interests which benefit or are appurtenant to the Mortgaged Property and any proceeds arising therefrom.

#### IX

All of Debtor's right, title and interest in all agreements (other than the Loan Agreement) and/or contracts for any of the Mortgaged Property and all permits, licenses, bonds, plans and specifications relating to any portion of the Mortgaged Property.



X

Any and all further estate, right, title, interest, property, claim and demand whatsoever of the Debtor in and to any of the above.

XI

Any and all other property of every kind and nature from time to time which was heretofore or hereafter is by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred, as and for additional security hereunder, by the Debtor or by any other Person with or without the consent of the Debtor, to the Mortgagee which is hereby authorized to receive any and all such property at any time and at all times to hold and apply the same subject to the terms hereof.

XII

All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims.

**TO HAVE AND TO HOLD** all the same with all privileges and appurtenances hereby conveyed and assigned or agreed or intended so to be, to the Mortgagee and their successors and to them and their assigns forever;

**THIS MORTGAGE** secures the payment, performance and observance of the Obligations and shall continue in full force and effect until the Obligations shall be paid and satisfied in full or otherwise provided for in accordance with their respective terms.

**DEBTOR HEREBY** represents, warrants, covenants and agrees with the Mortgagee as set forth below:

## ARTICLE I

### DEFINITIONS; CONSTRUCTION

**Section 1.1. Certain Definitions.** The following terms shall have the respective meanings in this Mortgage, except as the context otherwise requires:

**County** shall mean Nassau County, New York.

**Debtor** shall mean Life's W.O.R.C., Inc., a not-for-profit corporation organized and existing under the laws of the State of New York, and its successors and assigns.

**Facility Personalty** shall mean those items of machinery, equipment and other items of personalty the acquisition and/or the installation of which is to be financed or refinanced in whole or in part with the proceeds of the Bonds for installation or use at the Facility Realty, together with all repairs, replacements, improvements, substitutions and renewals thereof or therefor, and all parts, additions and accessories incorporated therein or affixed thereto. Facility Personalty shall include all property substituted for or replacing items of Facility Personalty and exclude all items of Facility Personalty so substituted for or replaced.

**Facility Realty** shall mean, collectively, the Land and the Improvements.

**Improvements** shall mean (i) all buildings, structures, foundations, related facilities, fixtures and other improvements existing on the Closing Date and erected or situated on the Land; (ii) any other buildings, structures, foundations, related facilities, fixtures and other improvements constructed or erected on the Land; and (iii) all replacements, improvements, additions, extensions, substitutions, restorations and repairs to any of the foregoing.

**Land** shall collectively mean the real property owned or leased by the Debtor and located on those certain lots, pieces or parcels of land set forth below and all as more particularly described in Exhibit A — "Description of the Land", together with all easements, rights and interests now or hereafter appurtenant or beneficial thereto owned by the Debtor:

(i) 1517 Franklin Avenue, Garden City, Town of Hempstead, Nassau County, New York;

**Loan Agreement** shall mean the Loan made to the Debtor by the Issuer as contemplate have the meaning assigned to that term in the Recitals hereto.

**Loan** shall mean the Loan made to the Debtor by the Issuer as contemplated by the Loan Agreement.

**Mortgage** shall mean this Mortgage, Assignment of Rents, Security Agreement and Fixture Filing from the Debtor to the Issuer and the Bond Purchaser, as Mortgagee, and includes any and all amendments hereof and supplements hereto made in accordance herewith and with the Loan Agreement.

**Mortgaged Property** shall mean, collectively, the Facility Personalty and the Facility Realty.

**Mortgaged Property Address** shall mean the addresses set forth in the definition of “Land” above.

**Mortgaged Property** shall have the meaning assigned to that term in the Recitals hereto.

**Obligations** shall have the meaning assigned to that term in the Recitals hereto.

**Permitted Encumbrances** shall have the meaning assigned to that term in the Loan Agreement.

**Person** shall have the meaning assigned to that term in the Loan Agreement.

**Project** shall have the meaning assigned to that term in the Loan Agreement.

**Bond Documents** shall have the meaning assigned to that term in the Loan Agreement.

**Secured Principal Amount** shall mean \$1,749,000.

**Secured Property** shall have the meaning assigned to that term in Section 3.3 hereof.

**State** shall mean the State of New York.

**Section 1.2. Construction.** In this Mortgage, unless the context otherwise requires:

(a) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms, as used in this Mortgage, refer to this Mortgage, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the Closing Date.

(b) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(c) Words importing persons shall include firms, associations, partnerships (including limited partnerships and limited liability partnerships), trusts, corporations, limited liability companies and other legal entities, including public bodies, as well as natural persons.

(d) Any headings preceding the texts of the several Articles and Sections of this Mortgage, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Mortgage, nor shall they affect its meaning, construction or effect.

(e) Unless the context indicates otherwise, references to designated “Exhibits,” “Articles,” “Sections,” “Subsections,” “clauses” and other subdivisions are to the designated Exhibits, Articles, Sections, Subsections, clauses and other subdivisions of or to this Mortgage.

(f) The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation”.

(g) The word “will” shall be construed to have the same meaning and effect as the word “shall”.

(h) Any definition of or reference to any agreement, instrument or other document herein shall be construed to refer to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth therein).

(i) Any reference to any Person, or to any Person in a specified capacity, shall be construed to include such Person's successors and assigns or such Person's successors in such capacity, as the case may be.

(j) Other terms not defined herein shall have the respective meanings ascribed thereto in the Loan Agreement.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES OF DEBTOR

**Section 2.1. Representations and Warranties of Debtor.** The Debtor does hereby represent and warrant that:

(a) The Debtor is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State, is not in violation of any provision of its certificate of incorporation or by-laws, has the requisite corporate power and authority to own its property and assets, to carry on its business as now being conducted by it and to execute, deliver and perform this Mortgage and each other Bond Document to which it is or shall be a party.

(b) The execution, delivery and performance of this Mortgage and each other Bond Document to which the Debtor is or shall be a party and the consummation of the transactions herein and therein contemplated will not (x) violate any provision of law, any order of any court or agency of government, or any of the certificate of incorporation or by-laws of the Debtor, or any indenture, agreement or other instrument to which the Debtor is a party or by which it or any of its property is bound or to which it or any of its property is subject, (y) be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or (z) result in the imposition of any lien, charge or encumbrance of any nature whatsoever other than Permitted Encumbrances.

(c) There is no action or proceeding pending or, to the best of the Debtor's knowledge, after diligent inquiry, threatened by or against the Debtor by or before any court or administrative agency that would adversely affect the ability of the Debtor to perform its obligations under this Mortgage or any other Bond Document to which it is or shall be a party.

(d) The Debtor has obtained all authorizations, consents and approvals of governmental bodies or agencies required to be obtained by the Debtor as of the Closing Date in connection with the execution and delivery of this Mortgage and each other Bond Document to which the Debtor is a party or in connection with the performance of the obligations of the Debtor hereunder and under each of the Bond Documents.

(e) This Mortgage and the other Bond Documents to which the Debtor is a party (x) have been duly authorized by all necessary action on the part of the Debtor, (y) have been duly executed and delivered by the Debtor, and (z) constitute the legal, valid and binding obligations of the Debtor, enforceable against the Debtor in accordance with their respective terms.

(f) The assumption by the Debtor of its obligations hereunder will result in a direct financial benefit to the Debtor.

(g) The Debtor has power to enter into and perform this Mortgage, to create, pledge and grant the mortgage, pledge, assignment and security interest in the Mortgaged Property as provided in this Mortgage, and to own its property and assets.

(h) The Debtor is vested with good and marketable title to the Facility Realty, subject to no mortgage, lien, charge, pledge, assignment, security interest, conditional sale agreement or encumbrance of any kind whatsoever, other than Permitted Encumbrances.

(i) The Debtor is, as of the Closing Date, and after giving effect to all instruments evidencing or securing the Obligations will be, in a solvent condition.

(j) The execution and delivery of this Mortgage does not constitute a “fraudulent conveyance” within the meaning of Title 11 of the United States Code as so constituted or under any other applicable law.

(k) No bankruptcy or insolvency proceedings are pending or contemplated by or, to the best knowledge of the Debtor, against, the Debtor.

(l) This Mortgage does not give any Person other than the Mortgagee the right to payment of the Obligations.

(m) The Debtor is duly authorized to mortgage and grant a security interest in the Mortgaged Property, and this Mortgage is a first lien upon the Mortgaged Property, subject only to Permitted Encumbrances.

## ARTICLE III

### GENERAL AGREEMENTS OF DEBTOR

**Section 3.1. Payment, Performance, Observance and Compliance.** The Debtor agrees to pay, perform, observe and comply with such of the Obligations to which it shall be subject (including this Mortgage) upon the terms and provisions required of the Debtor under the Bond Documents.

**Section 3.2. Acknowledgment of Amount Due.** The Debtor shall, upon written request, furnish to the Mortgagee, in person within five (5) days, or, by mail within ten (10) days, a written statement duly acknowledged of the amount due under this Mortgage and whether any offsets or defenses exist against the Obligations.

**Section 3.3. Security Agreement.** This Mortgage is and shall be deemed to be a security agreement under the New York State Uniform Commercial Code with respect to the Mortgaged Property, and the Mortgagee shall have all the rights of a secured party thereunder with respect to that part of the Mortgaged Property that constitutes personal property subject thereto (sometimes referred to herein as the "**Secured Property**"). Upon request by the Mortgagee, Debtor, at its sole cost and expense, shall execute and deliver to the Mortgagee any security agreement, financing or continuation statement or other document the Mortgagee reasonably deems necessary to protect or perfect its lien on the Mortgaged Property. Following the occurrence of and during the continuance of an Event of Default, the Mortgagee, in addition to any other rights and remedies that it may have, shall have and may exercise immediately and without demand any and all rights and remedies granted to a secured party upon default under the New York State Uniform Commercial Code, including the right to take possession of the Secured Property or any part thereof or indicia thereof, and to take such other measures as the Mortgagee may deem necessary for the care, protection and preservation of the Secured Property. Upon request or demand of the Mortgagee following the occurrence of and during the continuance of an Event of Default, the Debtor shall, at the Debtor's sole cost and expense, assemble the Secured Property and make it available to the Mortgagee at a convenient place located in Nassau County, New York and acceptable to the Mortgagee. The Debtor shall pay to the Mortgagee on written demand all costs and expenses, including reasonable legal expenses and attorneys' fees and expenses, incurred or paid by the Mortgagee in protecting its interest in the Secured Property and in enforcing its rights hereunder with respect to the Secured Property. Any written notice of sale, other disposition, or other intended action by the Mortgagee with respect to the Secured Property sent to the Debtor in accordance with the provisions of this Mortgage at least ten (10) days prior to the date of any such sale, other disposition, or other intended action set forth or specified in the notice shall conclusively be deemed to be commercially reasonable within the meaning of the New York State Uniform Commercial Code unless objected to in writing by the Debtor within five (5) days after receipt by the Debtor of the notice. The proceeds of any sale or other disposition of the Secured Property, or any part thereof, shall be applied to the payment of the Obligations as provided in Section 5.17.

**Section 3.4. Ownership; Instruments of Further Assurance.** The Mortgagee (at the sole cost and expense of the Debtor) shall defend the title of the Debtor to the Mortgaged Property and every part thereof and the Debtor agrees to warrant and defend such title against the claims and demands of all Persons whomsoever. The Debtor covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, at the sole cost and expense of the Debtor, such supplements hereto and such further acts, instruments and transfers as the Mortgagee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Mortgagee all and singular the property herein described and subject to the lien and security interest of this Mortgage and those revenues pledged hereby and by the Loan Agreement to the payment of the

Obligations. Any and all property hereafter acquired which is of the kind or nature herein provided to be and become subject to the lien and security interest hereof shall ipso facto, and without any further conveyance, assignment or act on the part of the Debtor or the Mortgagee, become and be subject to the lien and security interest of this Mortgage as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Debtor heretofore made by this Section 3.4.

**Section 3.5. Creation of Liens; Indebtedness; Sale of Mortgaged Property.** (a)

The Debtor covenants that this Mortgage is and will be a first lien upon the Mortgaged Property, subject only to Permitted Encumbrances. The Debtor shall not create or suffer to be created any lien or charge upon or pledge of the Mortgaged Property or any part thereof, except the lien, charge and pledge created by this Mortgage and the other Permitted Encumbrances. The Debtor shall not incur any indebtedness or issue any evidences of indebtedness, other than the Obligations, secured by a lien on or pledge of the Mortgaged Property, except for Permitted Encumbrances or as expressly set forth in the Loan Agreement. The Debtor further covenants and agrees not to sell, convey, transfer, lease, mortgage or encumber the Mortgaged Property or any part thereof except as expressly permitted under the Loan Agreement and this Mortgage for so long as any of the Obligations are Outstanding.

(b) The Debtor shall not, without the consent in writing of the Mortgagee, voluntarily change the use of the Mortgaged Property or sell, transfer or convey its interest in the Mortgaged Property or any part thereof in or by any one or series of transactions or permit the Mortgaged Property or any part thereof or any interest therein to be sold, transferred, or conveyed. For the purposes of this Section a "sale" shall include: (1) if the Debtor is a for-profit corporation, a majority of its voting shares of stock shall be sold, transferred or pledged, or the majority interest therein shall be transferred by the issuance of new shares or otherwise, in any one or series of transactions; (2) if the Debtor is a not-for-profit corporation, the sale, transfer or pledge of a majority of its membership interests; or (3) if the Debtor is a partnership, limited liability company, joint venture or similar entity, the majority of the interest or interests in the Debtor be sold, transferred or pledged or the majority of the interests therein be transferred or diluted by the admission of new partners, members or otherwise, in any one or series of transactions or, if by operation of law, either the Mortgaged Property or such voting shares or interests shall be sold, transferred or pledged, in any one or series of transactions. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to further or successive transactions.

**Section 3.6. Reserved.**

**Section 3.7. Recording and Filing.** (a) The Debtor shall cause this Mortgage and all supplements hereto to be recorded (at the sole cost and expense of the Debtor) as a mortgage of real property in the appropriate offices of the Register of Nassau County or in such other offices as may be at the time provided by law as the proper place for the recordation thereof. In addition, the security interest of the Mortgagee, as created by this Mortgage, in the personal property and fixtures and the rights and other intangible interests herein described, shall be perfected by the filing of financing statements by the Debtor, at the sole cost and expense of the Debtor, in the offices of the Secretary of State of the State in the City of Albany, New York, and in the offices of such Register of Nassau County, which financing statements shall be in accordance with the New York State Uniform Commercial Code - Secured Transactions. All mortgage recording taxes, if any, and filing and recording charges and fees shall be payable by the Debtor.

(b) Reserved.



(c) Any filings with respect to the Uniform Commercial Code financing statements may be made electronically, and the Issuer (which shall be reasonably acceptable to the Bond Purchaser) shall have the right to designate a company to facilitate the filing of the Uniform Commercial Code financing statements.

(d) The Debtor and the Bond Purchaser acknowledge and agree that neither the Issuer nor the Bond Purchaser, nor any of its respective directors, members, officers, employees, servants, agents, persons under its control or supervision, or attorneys (including Bond Counsel to the Issuer), shall have any responsibility or liability whatsoever related in any way to the filing or re-filing of any Uniform Commercial Code financing statements or continuation statements, or the perfection or continuation of perfection of any security interests, or the recording or rerecording of any document, or the failure to effect any act referred to in this Section, or the failure to effect any such act in all appropriate filing or recording offices, or the failure of sufficiency of any such act so effected.

(e) All costs (including reasonable attorneys' fees and expenses) incurred by the Issuer and the Bond Purchaser in connection with the effecting of the requirements specified in this Section shall be paid by the Debtor.

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

**Section 3.8. After-Acquired Property.** All right, title and interest of the Debtor in and to all improvements, betterments, renewals, substitutes and replacements of, and all additions, accessions and appurtenances to, the Mortgaged Property (other than trade fixtures), or any part thereof, hereafter acquired, constructed, assembled or placed by or at the direction of the Debtor on or in the Mortgaged Property (other than trade fixtures), and all conversions and proceeds of the security constituted thereby, immediately upon such acquisition, construction, assembly, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance or assignment or other act of the Debtor, shall become subject to the security and lien of this Mortgage as fully and completely, and with the same effect, as though now owned by the Debtor and specifically described in the Granting Clauses hereof; but at any and all times the Debtor, on demand, will execute, acknowledge, deliver to the Mortgagee and the Debtor will cause to be recorded or filed as provided in Section 3.7, any and all such further assurances and mortgages, conveyances or assignments thereof as the Mortgagee may reasonably require for the purposes of expressly and specifically subjecting the same to the security and lien of this Mortgage.

**Section 3.9. Additional Taxes or Charges.** If any law or ordinance is enacted or adopted which imposes a tax, either directly or indirectly, on this Mortgage, the Debtor will pay such tax, with interest and penalties thereon, if any. If at any time the United States of America, any state thereof or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to this Mortgage or any of the other Financing Documents, the Debtor agree to pay for the same, with interest and penalties thereon, if any. Nothing contained in this Section 3.9 shall obligate the Debtor to indemnify the Mortgagee for any income tax liability arising by reason of this Mortgage.

**Section 3.10. Notice of Event of Default.** The Debtor shall immediately notify the Mortgagee in writing of any Event of Default (as defined in Section 5.5. of this Mortgage) or any event which with notice and/or lapse of time would constitute an Event of Default under any Bond Document.

Any notice required to be given pursuant to this Section shall be signed by the Debtor and set forth a description of the default and the steps, if any, being taken to cure said default. If no steps have been taken to cure a default, the notice should plainly state this fact.

**Section 3.11. Insurance Requirements.** In addition to any insurance required pursuant to the Loan Agreement, the Debtor does hereby warrant and agree as follows:

(a) At all times throughout the term of this Mortgage, including without limitation during any period of construction, reconstruction or substantial renovation of the Project, the Debtor shall maintain insurance, or cause there to be maintained insurance, if applicable, with insurance companies licensed to do business in the State, against such risks, loss, damage and liability (including liability to third parties) and for such amounts as are customarily insured against by other enterprises of like size and type as that of the Debtor. In addition to this general requirement, such insurance shall, for purposes of subsections (b) through (f) of this Section 3.11, include, without limitation, insurance coverage described in paragraphs (i) through (iv) below (hereinafter, "**Specific Coverage**");

(i) (A) Property damage insurance, and (B) during any period of construction, reconstruction or substantial renovation of the Project (to the extent not otherwise covered by property damage insurance), Builders' All Risk Insurance written on "100% builders' risk completed value, non-reporting form" including coverage therein for "completion and/or premises occupancy" and coverage for property damage insurance, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, fixtures and other property constituting a part of the Project against loss or damage to the Project by all risk of physical loss at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the Issuer, the Debtor or the Bond Purchaser from becoming a co-insurer of any loss under the insurance policies but in any event in amounts equal to the greater of (A) 110% of the actual replacement value of the Project as determined by a qualified insurance appraiser or insurer (selected by the Debtor) not less often than once every three years, at the expense of the Debtor, and (B) the principal amount of the Bonds outstanding; any such insurance may provide that the insurer is not liable to the extent of the first \$10,000 with the result that the Debtor is its own insurer to the extent of \$10,000 of such risks;

(ii) Boiler and machine property damage insurance in respect of any steam and pressure boilers and similar apparatus located on the Facility Realty from risks normally insured against under boiler and machinery policies and in amounts and with deductibles customarily obtained for similar business enterprises but in any event in an amount not less than \$1,000,000;

(iii) To the extent the Facility Realty may be located in a flood zone, or if otherwise required by federal law, flood certification or flood insurance, to the extent not covered by property damage insurance, in an amount equal to the greater of the full replacement cost or the maximum amount then available under the National Flood Insurance Program;

(iv) Business Interruption Insurance in an amount equal to one year's loss of gross earnings, rental value and the extra expense that could result from the cessation of the business conducted by the Debtor at the Mortgaged Property or rent insurance against one year's loss of gross rental income (whichever of the two types of insurance is applicable) arising out of damage or destruction by reason of the risks described above in subsections (i) and (ii) above; and

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

(b) All Specific Coverage required by Section 3.11(a) shall be procured and maintained in financially sound and generally recognized responsible insurance companies authorized to write such insurance in the State and having an A.M. Best rating of "A" or better. At least once every two Fiscal Years, the Debtor agrees to deliver a certificate of an independent insurance consultant to the Issuer and the Bond Purchaser which indicates that the insurance then maintained by the Debtor meets the requirements of this Section 3.11 and Section 4.14 of the Loan Agreement.

(c) Each of the policies evidencing the Specific Coverage required above to be obtained shall:

(i) designate the Issuer and the Bond Purchaser as an additional insured;

(ii) provide that all insurance proceeds with respect to loss or damage to the property of the Mortgaged Property be endorsed and made payable to the Issuer and the Bond Purchaser and shall name the Issuer and the Bond Purchaser as a loss payee under the standard loss payee clause and as a mortgagee under the terms of a standard mortgagee clause, which insurance proceeds shall be paid over to the Issuer and the Bond Purchaser;

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

(iv) provide that in respect of the interest of the Issuer and the Bond Purchaser in such policies, the insurance shall not be invalidated by any action or inaction of the Debtor or any other Person and shall insure the Issuer Bond Purchaser regardless of, and any losses shall be payable notwithstanding, any such action or inaction;

(v) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Issuer and the Bond Purchaser to the extent that such other insurance provides the Issuer and the Bond Purchaser with contingent and/or excess liability insurance with respect to its interest in the Property;

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

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

(viii) contain such other terms and provisions as any owner or operator of facilities similar to the Property would, in the prudent management of its properties, require to be

contained in policies or interim insurance contracts with respect to facilities similar to the Property owned or operated by it.

(d) The Net Proceeds of any insurance shall be applied as set forth in the Loan Agreement.

(e) The Debtor shall deliver or cause to be delivered to the Issuer and the Bond Purchaser the following documents evidencing compliance with the Specific Coverage requirements of this Section 3.11: (i) on or prior to the Closing Date: (A) a broker's certificate of coverage confirming that the Debtor, as of the Closing Date, has obtained Specific Coverage in accordance with the requirements of this Section 3.11, and (B) evidence of property insurance and certificates or other evidence of other required insurance and, (ii) as soon as practicable thereafter, duplicate copies of insurance policies and/or binders. At least fifteen (15) Business Days prior to the expiration of any such policy, the Debtor shall furnish the Issuer and the Bond Purchaser with evidence that such policy has been renewed or replaced or is no longer required by this Mortgage.

(f) The Debtor shall, at its own cost and expense, make all proofs of loss and take all other steps necessary or reasonably requested by the Issuer and the Bond Purchaser to collect from insurers for any loss covered by any insurance required to be obtained by this Section 3.11. The Debtor shall not do any act, or suffer or permit any act to be done, whereby any Specific Coverage required by this Section 3.11 would or might be suspended or impaired.

(g) THE DEBTOR ACKNOWLEDGES THAT THE INSURANCE SPECIFIED HEREIN AND IN THE LOAN AGREEMENT IS NOT IN ANY WAY A REPRESENTATION BY THE ISSUER OR THE BOND PURCHASER THAT SUCH INSURANCE, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTEREST OF THE DEBTOR.

**Section 3.12. Maintenance of the Mortgaged Property and Compliance with Laws.**  
The Debtor shall (at its expense insofar as is applicable by the context):

(a) maintain the Mortgaged Property in good and substantial order and repair and in such fashion that the value and utility of the Mortgaged Property will not be diminished and will make or cause to be made all necessary and appropriate repairs, replacements, and renewals thereof, whether interior or exterior, structural or non-structural; all repairs, replacements and renewals to be at least equal, in quality and class, to that of the original;

(b) not use or cause the whole or any part of the Mortgaged Property to be used in such a manner as to cause the same to be subject to forfeiture under applicable laws. In the event that any person or entity, in possession of the whole or any part of the Mortgaged Property, or otherwise, may, by acts or omissions, cause the Mortgaged Property to be subject to forfeiture, the Debtor, within five (5) days after receiving notice of the occurrence of any such act or omission, shall notify the Bond Purchaser and the Issuer of the occurrence of such act or omission and shall commence such legal proceedings against the party committing or permitting the acts or omissions as shall be necessary to prevent such forfeiture;

(c) comply with, or cause to be complied with, all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorization, directions and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers which may, as at the Closing Date or thereafter, affect the Mortgaged

Property or any part thereof or its use or condition, or which may affect any adjoining sidewalks, curbs, vaults and vault space, if any, or streets or ways insofar as the Debtor is required to comply therewith;

(d) comply with, or cause to be complied with, all requirements of the issuer of any policy(s) of insurance covering or affecting the whole or any part of the Mortgaged Property, and all orders, rules, regulations and other requirements of the New York Board of Fire Underwriters (or that of any other body exercising similar functions) applicable to the Mortgaged Property or any part thereof; and

(e) not do or permit any act or thing which is contrary to the requirements or prohibitions of any document of record affecting the Mortgaged Property nor commit or permit any material waste of or nuisance in, at or on the Mortgaged Property or any part thereof.

## ARTICLE IV

### ASSIGNMENT OF LEASES AND RENTS

**Section 4.1. Assignment of Leases and Rents.** The Debtor hereby assigns to the Mortgagee the rents, issues and profits of the Mortgaged Property (other than any amounts paid pursuant to the Loan Agreement) as further security for the payment of the Obligations, and the Debtor grants to the Mortgagee the right at reasonable times and upon reasonable notice to enter upon and to take possession of the Mortgaged Property for the purpose of collecting the same and to let the Mortgaged Property or any part thereof, and to apply the rents, issues and profits, after payment of all necessary charges and expenses, on account of the Obligations. This assignment and grant shall continue in effect until the Obligations are paid. The Mortgagee hereby waives the right to enter upon and to take possession of the Mortgaged Property for the purpose of collecting said rents, issues and profits, and the Debtor shall be entitled to collect and receive said rents, issues and profits and to apply same in payment of the amounts becoming due on the Obligations, operating expenses related to the Mortgaged Property and other expenses (capital or otherwise) consistent with the purposes of the Debtor until the occurrence and during the continuance of an Event of Default hereunder. The Debtor will not, without the written consent of the Mortgagee which consent shall not be unreasonably withheld, conditioned or delayed, receive or collect rent from any tenant of the Mortgaged Property or any part thereof for a period of more than one month in advance. Upon the occurrence of an Event of Default hereunder, the Debtor will pay monthly in advance to the Mortgagee, or to any receiver appointed to collect said rents, issues and profits, the fair and reasonable rental value for the use and occupation of the Mortgaged Property or of such part thereof as may be in the possession of the Debtor, and upon default in any such payment will vacate and surrender the possession of the Mortgaged Property to the Mortgagee or to such receiver, and in default thereof may be evicted by summary proceedings.

**Section 4.2. No Cancellation or Modification of Leases.** The Debtor shall not, without the prior written consent of the Mortgagee which consent shall not be unreasonably withheld, conditioned or delayed, make, or suffer to be made, any leases or cancel or modify any leases or accept prepayments of installments of rent for a period of more than one month in advance or further assign the whole or any part of the rents. No lease or contract (other than the Loan Agreement) covering all or any part of the Mortgaged Property shall be valid or effective without the prior written approval of the Mortgagee which approval shall not be unreasonably withheld, conditioned or delayed. The Mortgagee shall have all of the rights against the Debtor of the Mortgaged Property as set forth in Section 291-f of the Real Property Law of New York. In respect of any lease, the Debtor will (i) fulfill or perform each and every provision thereof on its part to be fulfilled or performed; (ii) promptly send copies of all notices of default which it sent or received thereunder to the Mortgagee; and (iii) enforce, short of termination thereof, the performance or observance of the provisions thereof. Nothing contained in this Mortgage shall be deemed to impose on the Mortgagee any of the obligations of the lessor under the leases.

**Section 4.3. Required Lease Provisions.** Subject to Section 4.1, all leases must provide that the tenant thereunder shall pay to the Mortgagee upon an Event of Default hereunder all sums due under the lease upon notice to the tenant from the Mortgagee, and that the Debtor, and any tenant shall, at the Mortgagee's option, furnish the Mortgagee with an estoppel and attornment letter as to the leases in form and substance reasonably acceptable to the Mortgagee.

**Section 4.4. Debtor Not to Waive Rents.** The Debtor will not waive, release, reduce, discount or otherwise discharge or assign (except for the Permitted Encumbrances) to any Person other than the Mortgagee the leasehold payments, rents, issues and profits of the Mortgaged Property (other than as contemplated by the Loan Agreement), or cancel, abridge or otherwise modify any lease of all or any part of the Mortgaged Property, without the prior written consent of the Mortgagee and the

Initial Purchasers. In addition, the Debtor will observe and comply with all of its obligations as lessor under any such lease, will promptly notify the Mortgagee if it receives any default notice thereunder and forward a copy of the default notice to the Mortgagee, and enforce any default thereunder by the tenant. The Debtor shall not, however, terminate any such lease without the prior written consent of the Mortgagee.

**Section 4.5. Debtor to Furnish Rent Rolls.** The Debtor will furnish to the Mortgagee, within fifteen (15) Business Days after mailing to the Debtor of a written request therefore but no more than four (4) times during any calendar year, a detailed statement in writing, duly sworn, and covering the period of time specified in such request, showing all income derived from the operation of the Mortgaged Property and all disbursements made in connection therewith, and containing a list of the names of all tenants of the Mortgaged Property specified in such request, showing all income derived from the operation of the Mortgaged Property and occupants other than those claiming possession through such tenants, the portion or portions of the Mortgaged Property occupied by such tenant and occupant, the rents and other charges payable under the terms of their leases or other agreements, and the periods covered by such leases or other agreements.

## ARTICLE V

### REMEDIES; EVENTS OF DEFAULT

**Section 5.1. Protective Action.** The Mortgagee may take such action as the Mortgagee deems reasonably appropriate upon ten (10) days' prior written notice to the Debtor (except that no such prior notice shall be required if in the reasonable judgment of the Mortgagee an emergency condition shall exist that threatens to do severe damage to or destruction of the Mortgaged Property) to protect the Mortgaged Property or the status or priority of the lien of this Mortgage thereon including, but not limited to, entry upon the Mortgaged Property to protect it from deterioration or damage, or to cause the Mortgaged Property to be put in compliance with any governmental, insurance rating or contract requirements; dispossession of the Debtor if necessary to remedy an emergency condition; payments of amounts due on liens having priority over this Mortgage if such lien constitutes a default pursuant to this Mortgage; curing any default by the Debtor under any of the Financing Documents including this Mortgage; payment of any tax or charge for purposes of assuring the priority or enforceability of this Mortgage if failure to pay such tax by the Debtor is a default pursuant to this Mortgage subject to the Debtor's right to contest such tax or charge in accordance with the Loan Agreement; obtaining insurance on the Mortgaged Property; or commencement or defense of any legal action or proceeding to assert or protect the validity or priority of the lien of this Mortgage. The Debtor agrees to reimburse the Mortgagee for all expenses in taking any such action, on demand, within ten (10) Business Days of the Debtor's receipt of written demand therefor, with interest at a rate being the lesser of (i) three percent (3%) per annum in excess of the rate of interest which accrues on the Bonds or (ii) the highest rate permitted under the applicable usury law, and the amount thereof shall be secured by this Mortgage and shall, to the extent permitted by law, be in addition to the maximum amount of the Obligations heretofore stated.

**Section 5.2. Benefit of Section 254 of the Real Property Law.** Nothing herein contained shall be construed as depriving the Mortgagee of any right or advantage available under Section 254 of the Real Property Law of the State of New York, but all covenants herein differing therefrom shall be construed as conferring additional and not substitute rights and advantages.

**Section 5.3. Sole Discretion of the Mortgagee.** Except as otherwise provided in this Mortgage, wherever pursuant to this Mortgage, the Mortgagee exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to the Mortgagee, the decision of the Mortgagee to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of the Mortgagee and shall be final and conclusive unless otherwise agreed to in writing by the Mortgagee.

**Section 5.4. Recovery of Sums Required To Be Paid.** The Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitutes a part of the Obligations as the same becomes due, without regard to whether or not the balance of the Obligations shall be due, and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Debtor existing at the time such earlier action was commenced.

**Section 5.5. Events of Default.** Any one or more of the following events shall constitute an "Event of Default" hereunder:

(a) Failure of the Debtor to pay any amount that has become due and payable hereunder, and continuance of such failure for a period of five (5) Business Days after written notice has been given to the Debtor specifying the nature of such default by the Mortgagee;



(b) Failure of the Debtor to observe and perform any covenant, condition or agreement hereunder on its part to be performed (except as set forth in Section 5.5(a) above) and (1) continuance of such failure for more than thirty (30) days after written notice of such failure has been given to the Debtor specifying the nature of such failure by the Mortgagee, or (2) if by reason of the nature of such failure the same can be remedied, but not within the said thirty (30) days, the Debtor fails to commence and thereafter proceed with reasonable diligence after receipt of said notice to cure such failure or fails to continue with reasonable diligence its efforts to cure such failure or fails to cure such failure within sixty (60) days of delivery of said notice;

(c) The Debtor shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, liquidator, custodian or trustee of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as such debts generally become due, (iii) make a general assignment for the benefit of its creditors, (iv) commence a voluntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (v) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, (vi) fail to controvert in a timely or appropriate manner, or acquiesce in writing to, any petition filed against itself in an involuntary case under the Federal Bankruptcy Code (as now or hereafter in effect), (vii) take any action for the purpose of effecting any of the foregoing, or (viii) be adjudicated a bankrupt or insolvent by any court;

(d) A proceeding or case shall be commenced, without the application or consent of the Debtor in any court of competent jurisdiction, seeking, (i) liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts, (ii) the appointment of a trustee, receiver, liquidator, custodian or the like of the Debtor or of all or any substantial part of its assets, or (iii) similar relief under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of ninety (90) days; or any order for relief against the Debtor shall be entered in an involuntary case under the Federal Bankruptcy Code (as now or hereafter in effect); the terms "dissolution" or "liquidation" of the Debtor as used above shall not be construed to prohibit any action otherwise expressly permitted by the Loan Agreement;

(e) Any representation or warranty made by the Debtor (i) in the application and related materials submitted to the Issuer for approval of the Project or the transactions contemplated by this Mortgage, (ii) herein, (iii) in any other Bond Document, or (iv) in any report, certificate, financial statement or other instrument furnished pursuant hereto or any of the foregoing, shall, in any case, prove to be false, misleading or incorrect in any material respect as of the date made;

(f) The Debtor shall be in default under any other mortgage covering any part of the Mortgaged Property and proceedings shall have been commenced to foreclose such mortgage, whether it be superior or inferior to the lien of this Mortgage;

(g) The Mortgaged Property (or any material part thereof) is abandoned; or

(h) An "Event of Default" or termination event under any Bond Document shall occur and be continuing.

**Section 5.6. Remedies Following an Event of Default.** Upon the occurrence and during the continuance of an Event of Default hereunder, the Mortgagee may, in addition to any other rights or remedies available to it hereunder or elsewhere, take such action, without notice or demand, as it deems advisable, to protect and enforce its rights against the Debtor and in and to the Mortgage

Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as the Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of the Mortgagee:

(a) enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys, and dispossess the Debtor and its agents and servants therefrom, and thereupon the Mortgagee may:

- (1) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Mortgaged Property and conduct business thereat and therewith;
- (2) complete any construction, renovation, rebuilding or repairing of the Mortgaged Property in such manner and form as the Mortgagee deems advisable;
- (3) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property;
- (4) exercise all rights and powers of the Debtor with respect to the Mortgaged Property, whether in the name of the Debtor or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases, obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof; and
- (5) apply the receipts from the Mortgaged Property to the payment of the Obligations pursuant to Section 5.17 hereof;

(b) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Mortgage for the portion of the Obligations then due and payable, subject to the continuing security and lien of this Mortgage for the balance of the Obligations not then due;

(c) institute proceedings to foreclose the lien of this Mortgage against all or, from time to time, against any part of the Mortgaged Property and to have the same sold under the judgment or decree of a court of competent jurisdiction to the highest bidder, at public or private sale, subject to statutory and other legal requirements, if any, including all right, title and interest, claim and demand therein and thereto and all right of redemption thereof;

(d) sell, assign or transfer the Mortgaged Property or any part thereof and all estate, claim, demand, right, title and interest of the Debtor therein and right of redemption thereof, pursuant to power of sale or otherwise, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law (provided that ten (10) days' notice of sale of the Mortgaged Property shall be deemed reasonable notice) for such price and form of consideration as the Mortgagee may determine or as may be required by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein;

(f) apply for the appointment of or appoint a trustee, receiver, liquidator or conservator of the Mortgaged Property, without regard for the adequacy of the security for the Obligations and without regard for the solvency of any Person liable for the payment of the Obligations whether or not in connection with an action to foreclose this Mortgage;

(g) take possession of the Mortgaged Property (which shall, to the extent practicable, be assembled and made available to the Mortgagee by the Debtor at such place in Nassau County or elsewhere as may be required by the Mortgagee) and otherwise exercise any and all of the rights of secured parties under the New York State Uniform Commercial Code-Secured Transactions;

(h) without prejudice to its right to bring an action for foreclosure of this Mortgage, sell the Mortgaged Property, or any part thereof, and all estate, right, title and interest, claim and demand therein, and right of redemption thereof, to the extent permitted and pursuant to the procedures provided by applicable law, including, without limitation, Article 14 of the Real Property Actions and Proceedings Law of the State of New York and any amendments or substitute statutes in regard thereto, at one or more sales as a single parcel or in parcels, and at such time and place and upon such terms and after such notice thereof as may be required or permitted by law; or

(i) pursue such other remedies as the Mortgagee may have under applicable law.

Further, the Debtor, if there shall occur an Event of Default, shall pay monthly in advance to the Mortgagee, or to any receiver appointed at the request of the Mortgagee to collect the rents, revenues, issues, income and profits of the Mortgaged Property, the fair and reasonable rental value for the use and occupancy of the Mortgaged Property or of such part thereof as may be in the possession of the Debtor. Upon default in the payment thereof, the Debtor shall vacate and surrender possession of the Mortgaged Property to the Mortgagee or such receiver, and upon a failure so to do may be evicted by summary proceedings.

If an Event of Default shall happen and be subsisting, in case there shall be pending proceedings for the bankruptcy or for the reorganization of the Debtor under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Debtor or in the case of any other similar judicial proceedings relative to the Debtor, or to the credits or property of the Debtor, the Mortgagee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Mortgage, irrespective of whether the principal of the Obligations or any amount hereunder shall then be due and payable as therein or herein expressed or by declaration or otherwise, and irrespective of whether the Mortgagee shall have made any demand pursuant to the provisions of this Section 5.6 and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Mortgagee allowed in such judicial proceedings relative to the Debtor, its creditors, or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of their charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Mortgagee, and to pay to the Mortgagee any amount due it for compensation and expenses, including reasonable counsel fees and expenses incurred by it up to the date of such distribution.

**Section 5.7. Appointment of a Receiver.** Upon the occurrence of an Event of Default, the Mortgagee shall be entitled to the appointment of a receiver. The right to have a receiver appointed shall be a matter of strict right and without regard to the value or adequacy of the security and such receiver may enter upon and take possession of the Mortgaged Property, collect the rents, issues and profits therefrom and apply the same as the court may direct, such receiver to have all of the rights and

powers as a receiver may have under the laws of the State of New York. The expenses, including, without limitation, receiver's fees, counsel fees and expenses, costs and agent's commissions and compensation incurred pursuant to the powers herein granted shall be added to the principal portion of the Obligations and secured hereby.

In the event the maturity of the principal amount of the Bonds shall be accelerated in accordance with the Loan Agreement, in addition to the costs and fees described in Section 5.15, the Debtor shall pay to the Mortgagee, upon demand, together with the interest thereon at the Default Rate, the fees and costs incurred by the Mortgagee, following such acceleration, in obtaining an appraisal of the fair market value of the Mortgaged Property prepared by an appraiser, duly qualified under applicable law and governmental regulations to issue appraisals of real property. Upon reasonable notice to the Debtor, the Mortgagee, its officers, employees, agents and contractors, may enter the Mortgaged Property to conduct an environmental survey. Any such fees and costs paid by the Mortgagee and the interest thereon shall be a lien on the Mortgaged Property prior to any claim, lien, right, title or interest in, to or on the Mortgaged Property attaching or accruing subsequent to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage.

**Section 5.8. Foreclosure.** In a case of a foreclosure sale or pursuant to any order in any judicial proceeding or otherwise, the Mortgaged Property may be sold as an entirety in one parcel (or as one integrated unit) or separate parcels (or one or more of the interests comprising the Mortgaged Property separately from the others) in such manner or order as the Mortgagee in its sole and absolute discretion may elect. If the Mortgagee so elects it may sell the remainder of the property except for the land, buildings and improvements, at one or more separate sales in the manner provided by the Uniform Commercial Code of the State of New York. One or more exercises of the powers herein granted shall neither extinguish nor exhaust such powers, until the entire property is sold or the Obligations secured hereby are paid in full or otherwise provided for in accordance with their terms.

Upon any sale made under or by virtue of this Section 5.8 (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale), the Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may take settlement for the purchase price by crediting upon the Obligations secured by this Mortgage the net sale price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which the Mortgagee is authorized to deduct under this Mortgage.

In the event of a foreclosure of this Mortgage or the succession by the Mortgagee to the interests of the Debtor hereunder, the purchaser of the Mortgaged Property or such successor shall succeed to all rights of the Debtor, including any right to proceeds of insurance and to unearned premiums, and in and to all policies or certificates of insurance assigned and delivered to the Mortgagee pursuant to this Mortgage.

**Section 5.9. Non-Impairment.** No provision of this Mortgage: (a) is or shall be deemed to be a release or impairment of any of the Obligations including this Mortgage, (b) shall preclude the Mortgagee, upon the occurrence of an Event of Default hereunder, from foreclosing this Mortgage or from enforcing its rights hereunder or under any other instrument governing or securing the Obligations, (c) shall preclude or bar the Mortgagee upon foreclosure from obtaining a deficiency judgment against the Debtor, against any subsequent owner of the Mortgaged Property who assumes the Obligations on a non-recourse basis, or against any other Person liable for the payment and performance of the Obligations (subject to the provisions of Section 6.1), (d) shall require the Mortgagee to accept a part of the Mortgaged Property (as distinguished from its entirety) as payment of the debt secured hereby, or (e) shall compel the Mortgagee to accept or allow any apportionment of the debt secured hereby to or among any separate parts of the Mortgaged Property.

**Section 5.10. No Remedy Exclusive.** No remedy conferred upon or reserved to the Mortgagee hereunder is or shall be deemed to be exclusive of any other available remedy or remedies. Each such remedy shall be distinct, separate and cumulative, shall not be deemed to be inconsistent with or in exclusion of any other available remedy, may be exercised in the discretion of the Mortgagee at any time, in any manner, and in any order, and shall be in addition to and separate and distinct from every other remedy given the Mortgagee under this Mortgage or any other Security Document or now or hereafter existing in favor of the Mortgagee at law or in equity or by statute. Without limiting the generality of the foregoing, the Mortgagee shall have the right to exercise any available remedy to recover any amount due and payable hereunder without regard to whether any other amount is due and payable, and without prejudice to the Mortgagee to exercise any available remedy for other Events of Default existing at the time the earlier action was commenced.

**Section 5.11. Delay To Not Constitute Waiver.** Any delay, omission or failure by the Mortgagee to insist upon the strict performance by the Debtor of any of the covenants, conditions and agreements herein set forth to be exercised by it or to exercise any right or remedy available to it upon the occurrence of an Event of Default hereunder shall not impair any such right or remedy or be considered or taken as a waiver or relinquishment for the future of the right to insist upon and to enforce, by injunction or other appropriate legal or equitable remedy, strict compliance by the Debtor with all of the covenants, conditions and agreements herein to be exercised by it, or of the right to exercise any such rights or remedies if such default by the Debtor be continued or repeated. Any failure of the Mortgagee to exercise the option to accelerate the maturity of Obligations secured hereby, or any forbearance by the Mortgagee before or after any exercise of any such option, or any forbearance to exercise any other remedy of the Mortgagee, or any withdrawal or abandonment of the Mortgagee of any of its rights in any one circumstance shall not be construed as a waiver of any option, power, remedy or right of the Mortgagee hereunder. The rights and remedies of the Mortgagee expressed and contained in this Mortgage are cumulative and none of them shall be deemed to be exclusive of any other or of any right or remedy the Mortgagee may now or hereafter have in law or in equity. The election of any one or more remedies shall not be deemed to be an election of remedies under any statute, rule, regulation or case law. The covenants of this Mortgage shall run with the Mortgaged Property and other properties and the estates hereby mortgaged and bind the Debtor and its assigns, legal representatives and successors and shall inure to the benefit of the Mortgagee, its successors and assigns.

**Section 5.12. Effect of Discontinuance of Proceedings.** In case any proceedings taken by the Mortgagee on account of any Event of Default hereunder shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Mortgagee, then and in every such case, the Debtor and the Mortgagee shall be restored, respectively, to their former positions and rights hereunder, and all rights, remedies, powers and duties of the Mortgagee shall continue as in effect prior to the commencement of such proceedings.

**Section 5.13. Marshalling.** The Debtor waives and releases any right to have the Mortgaged Property marshalled.

**Section 5.14. Actions and Proceedings.** The Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding which the Mortgagee, in its discretion, determines to be brought to protect its interest in the Mortgaged Property. The Mortgagee shall further have the right, from time to time, to sue for any sums required to be paid under the terms of this Mortgage or any other mortgage to which this Mortgage is expressly subordinate, as the same become due, without regard to whether or not the principal sums secured or any other sums secured by this Mortgage shall be due and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure or any other action for a default or defaults by the Debtor existing at the time such earlier action was commenced.

**Section 5.15. Attorneys' Fees and Other Costs.** The Debtor agrees to bear all costs, fees and expenses including court costs and reasonable expenses (including reasonable attorneys' fees and disbursements) for legal services of or incidental to the enforcement of any provisions hereof (whether incurred during the continuance of an Event of Default or by the Mortgagee), or enforcement, compromise or settlement of any of the collateral pledged hereunder, and for the curing thereof, or defending or asserting the rights and claims of the Mortgagee in respect thereof, by litigation or otherwise, and will pay to the Mortgagee any such expenses incurred, and such expenses shall be deemed part of the Obligations secured by this Mortgage and shall be collectible in like manner as the Obligations secured by this Mortgage, and until so paid shall bear interest at a rate being the lesser of (i) three percent (3%) per annum in excess of the rate of interest which accrues on the Bonds or (ii) the highest rate permitted under the applicable usury law. All rights and remedies of the Mortgagee shall be cumulative and may be exercised singly or concurrently.

**Section 5.16. No Additional Waiver Implied by One Waiver.** In the event any covenant or agreement contained in this Mortgage should be breached by the Debtor and thereafter waived by the Mortgagee, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be binding unless it is in writing and signed by the Mortgagee. No course of dealing between the Issuer and/or the Debtor and/or any other Person or any delay or omission on the part of the Mortgagee in exercising any rights hereunder shall operate as a waiver.

**Section 5.17. Application of Proceeds.** All proceeds derived through the exercise of any remedies or the commencement of any proceedings under this Mortgage shall be applied toward the Obligations in the order and method selected by the Mortgagee in its sole discretion.

**Section 5.18. Waiver of Moratorium.** The Debtor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, or the exemption from execution from sale of any or all of the property, now or any time hereafter enacted or enforced, nor claim, take or insist upon the benefit of any law now or hereafter enacted or enforced providing for the valuation or appraisal of the Mortgaged Property or any part thereof prior to any sale or sales thereof which may be made pursuant to any provisions herein or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after any sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted or enforced to redeem the property so sold or any part thereof. The Debtor, to the extent permitted by law, hereby expressly waives the benefit or advantage of any such law or laws and covenants not to delay or impede the execution of any power herein granted or delegated to the Mortgagee.

**Section 5.19. Waiver of Notice.** The Debtor shall not be entitled to any notices of any nature whatsoever from the Mortgagee except with respect to matters for which this Mortgage specifically and expressly provides for the giving of notice by the Mortgagee to the Debtor, and the Debtor hereby expressly waives the right to receive any notice from the Mortgagee with respect to any matter for which this Mortgage does not specifically and expressly provide for the giving of such notice.

## ARTICLE VI

### LIMITATIONS ON LIABILITY

**Section 6.1. No Liability of Debtor's Members, Managers, Officers, Directors, Employees and Agents.** It is agreed that the members, managers, directors, officers, employees and agents of the Debtor shall have no personal liability hereunder. All covenants, stipulations, promises, agreements and obligations of the Debtor contained herein shall be deemed to be covenants, stipulations, promises, agreements and obligations of the Debtor and not of any member, manager, director, officer, employee or agent of the Debtor in his individual capacity, and no recourse shall be had hereunder for the payment of the principal of any debt or interest thereon or any of the Obligations or for any claim based thereon or hereunder against any member, manager, director, officer, employee or agent of the Debtor or any natural person executing this Mortgage.

**Section 6.2. No Recourse; Special Obligation of the Issuer.** The provisions of Section 7.10 of the Loan agreement are hereby incorporated herein by this reference.

**Section 6.3. Usury Laws.** This Mortgage and all other Financing Documents are subject to the express condition that at no time shall the Issuer or the Debtor be obligated or required to pay interest on the principal balance due under the Obligations at a rate which could subject the holder of the Obligations to either civil or criminal liability as a result of being in excess of the maximum interest rate which the Issuer or the Debtor, as applicable, is permitted by law to contract or agree to pay. If by the terms of this Mortgage or any of the other Financing Documents, the Issuer or the Debtor is at any time required or obligated to pay interest on the principal balance due under the Obligations at a rate in excess of such maximum rate, the rate of interest under the Obligations shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate.

## ARTICLE VII

### MISCELLANEOUS

**Section 7.1. Applicability of Section 13 of the Lien Law.** This Mortgage is given in order to secure funds to pay for the Project and by reason thereof, it is intended that this Mortgage shall be superior to any laborers', mechanics' or materialmen's liens which may be placed upon the Mortgaged Property subsequent to the recordation hereof. The Debtor shall, therefore, in compliance with Section 13 of the New York Lien Law, receive the advances secured hereby and shall hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of the improvements of the Facility Realty and shall apply the same first to the payment of the cost of the improvements of the Facility Realty before using any part of the total of the same for any other purpose.

**Section 7.2. No Merger.** It is the intention of this Mortgage that if the Mortgagee shall at any time hereafter acquire title to all or any portion of the Mortgaged Property, or any interest therein or lien thereon under any other mortgage or instrument, then, and until the Obligations have been paid in full or otherwise discharged or satisfied in accordance with their terms, the interest of the Mortgagee hereunder and the security interest created by this Mortgage shall not merge or become merged in or with the estate and interest of the Mortgagee as the holder and owner of title to all or any portion of the Mortgaged Property, or in or with the interest of the Mortgagee under or the lien of such other mortgage or instrument, and that, until such payment, discharge or satisfaction, the estate of the Mortgagee in the Mortgaged Property and the security interest created by this Mortgage and the interest of the Mortgagee hereunder shall continue in full force and effect to the same extent as if the Mortgagee had not acquired title to all or any portion of the Mortgaged Property or any other interest therein or lien thereon. If, however, the Mortgagee shall consent to such merger or if such merger shall nevertheless occur without its consent, then this Mortgage shall attach to, and cover and be a conveyance of the fee title or any other estate, title or interest in the Mortgaged Property acquired by the Debtor, and the same shall be considered as granted, released, assigned, transferred, pledged, conveyed and set over to the Mortgagee and this Mortgage spread to cover such estate with the same force and effect as though specifically herein granted, released, assigned, transferred, pledged, conveyed, set over and spread, provided, however, the Debtor shall pay any and all transfer, recording or other taxes in connection therewith.

**Section 7.3. This Mortgage Constitutes A Commercial Transaction.** THE DEBTOR ACKNOWLEDGES THAT THE TRANSACTION OF WHICH THIS MORTGAGE IS A PART IS A COMMERCIAL TRANSACTION, AND HEREBY VOLUNTARILY AND KNOWINGLY WAIVES, TO THE EXTENT PERMITTED BY LAW, ITS RIGHTS TO NOTICE AND HEARING AS ALLOWED UNDER ANY STATE OR FEDERAL LAW OR OTHER RIGHT WITH RESPECT TO ANY PREJUDGMENT REMEDY OR OTHER RIGHT WHICH THE MORTGAGEE MAY DESIRE TO USE. FURTHER, THE DEBTOR HEREBY WAIVES, TO THE EXTENT PERMITTED BY LAW, THE BENEFITS OF ALL PRESENT AND FUTURE VALUATION, APPRAISEMENT, HOMESTEAD, EXEMPTION, STAY, REDEMPTION AND MORATORIUM LAWS.

**Section 7.4. Consents.** Wherever in this Mortgage the prior consent of the Mortgagee is required, the consent of the Mortgagee given as to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. Any such consents shall be in writing.

**Section 7.5. Service of Process.** The Debtor represents that it is subject to service of process in the State and covenants that it will remain so subject until all obligations, covenants and agreements of the Debtor under this Mortgage shall be satisfied and met. If for any reason the Debtor



should cease to be so subject to service of process in the State, Debtor hereby irrevocably designates and appoints the Secretary of State of the State of New York as its agent upon whom may be served all process, pleadings, notices or other papers which may be served upon the Debtor as a result of any of its obligations under this Mortgage; provided, however, that the service of such process, pleadings, notices or other papers shall not constitute a condition to the Debtor's obligations hereunder.

For such time as any of the obligations, covenants and agreements of the Debtor under this Mortgage remain unsatisfied, the Debtor's agent(s) designated in this Section 7.5 shall accept and acknowledge on the Debtor's behalf each service of process in any such suit, action or proceeding brought in any such court. The Debtor agrees and consents that each such service of process upon such agents and written notice of such service to the Debtor in the manner set forth in Section 7.6 shall be taken and held to be valid personal service upon the Debtor whether or not the Debtor shall then be doing, or at any time shall have done, business within the State and that each such service of process shall be of the same force and validity as if service were made upon the Debtor according to the laws governing the validity and requirements of such service in the State, and waives all claim of error by reason of any such service.

Such agents shall not have any power or authority to enter into any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Debtor or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Debtor.

**Section 7.6. Notices.** All notices, requests, consents, demands and other communications to any party hereunder or any other Person specified herein shall be in writing (including bank wire, telecopy or similar writing) and shall be given to such party or other Person, addressed to it, at its address or telecopy number set forth below or such other address or telecopy number as such party or other Person may hereafter specify for the purpose by notice to the other parties or such other Persons. Each such notice, request, consent or demand or other communication shall be effective if sent by (i) registered or certified United States mail, return receipt requested and postage prepaid, (ii) a nationally recognized overnight delivery service for overnight delivery, charges prepaid or (iii) hand delivery, addressed, as follows:

Party

To the Debtor

Address

Life's W.O.R.C., Inc.  
1501 Franklin Avenue  
Garden City, New York 11530  
Attention: \_\_\_\_\_

with a copy to

Moritt Hock & Hamroff LLP  
400 Garden City Plaza  
Garden City, New York 11530  
Attention: Seth P. Stein, Esq.

To the Issuer

Nassau County Local Economic Assistance Corporation  
1550 Franklin Avenue  
Suite 235  
Mineola, New York 11501  
Attention: Chief Executive Officer

with a copy to:

Phillips Lytle LLP  
1305 Franklin Avenue  
Suite 200  
Garden City, New York 11530  
Attention: Milan K. Tyler, Esq.

To the Bond Purchaser

Israel Discount Bank of New York  
511 Fifth Avenue  
New York, New York 10017  
Attention: Steven Broad

with a copy to:

Windels Marx Lane & Mittendorf LLP  
156 West 56<sup>th</sup> Street  
New York, New York 10019  
Attention: Michele Arbeeney, Esq.

Any party hereunder may, by like notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice, certificate or other communication hereunder shall, except as may expressly be provided herein, be deemed to have been delivered or given (i) three (3) Business Days following posting if transmitted by mail, (ii) one (1) Business Day following sending if transmitted for overnight delivery by a nationally recognized overnight delivery service, or (iii) upon delivery if given by hand delivery, with refusal by an Authorized Representative of the intended recipient party to accept delivery of a notice given as prescribed above to constitute delivery hereunder.

**Section 7.7. Consent to Jurisdiction.** The Debtor irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of this Mortgage or any other Bond Document, the Mortgaged Property, the Project, the relationship between the Issuer and the Debtor, the Debtor's ownership, use or occupancy of the Mortgaged Property and/or any claim for injury or damages may be brought in the courts of record of the State in Nassau County or the United States District Court for the Eastern District of New York; (ii) consents to the jurisdiction of each such court in any such suit, action or proceeding; (iii) waives any objection which it may have to the venue of any such suit, action or proceeding in such courts; and (iv) waives and relinquishes any rights it might otherwise have (w) to move to dismiss on grounds of forum non conveniens, (x) to remove to any federal court other than the United States District Court for the Eastern District of New York, and (y) to move for a change of venue to a New York State Court outside Nassau County.

If the Debtor commences any action against the Mortgagee in a court located other than the courts of record of the State in Nassau County or the United States District Court for the Eastern District of New York, the Debtor shall, upon request from the Mortgagee, either consent to a transfer of the action or proceeding to a court of record of the State in Nassau County or the United States District Court for the Eastern District of New York, or, if the court where the action or proceeding is initially

brought will not or cannot transfer the action, the Debtor shall consent to dismiss such action without prejudice and may thereafter reinstitute the action in a court of record of the State in Nassau County or the United States District Court for the Eastern District of New York.

**Section 7.8. Mortgage for Benefit of Issuer, Debtor and Bond Purchaser.** The covenants and agreements contained in this Mortgage (including all indemnities set forth herein) shall run with the land and bind the Debtor and its heirs, executors, administrators, legal representatives, successors and assigns and each Person constituting the Debtor, and all subsequent owners, encumbrancers and tenants of the Mortgaged Property, or any part thereof, and shall inure to the benefit of the Issuer and the Bond Purchaser, their respective successors and assigns, and all subsequent beneficial owners of this Mortgage, and survive the foreclosure of this Mortgage.

**Section 7.9. Authorization.** The execution of this Mortgage has been duly authorized by the appropriate governing body of the Debtor.

**Section 7.10. Amendments and Modifications.** This Mortgage shall be amended, modified or supplemented only by a written agreement executed by the Debtor and the Mortgagee and, in any event, only in accordance with the Loan Agreement.

**Section 7.11. Applicable Law.** This Mortgage shall be governed by and construed in accordance with the laws of the State of New York, without regard or giving effect to the principles of conflicts of laws thereof.

**Section 7.12. Date of Mortgage for Reference Purposes Only.** The date of this Mortgage shall be for reference purposes only and shall not be construed to imply that this Mortgage was executed on the date first above written. This Mortgage was executed and delivered on the Closing Date.

**Section 7.13. Entire Agreement; Counterparts.** This Mortgage constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof (other than any Bond Documents) and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**Section 7.14. Severability.** If any one or more of the provisions of this Mortgage shall be ruled illegal or invalid by any court of competent jurisdiction, the illegality or invalidity of such provision(s) shall not affect any of the remaining provisions of this Mortgage, but this Mortgage shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

**Section 7.15. Waiver of Jury Trial.** The Debtor hereby expressly waives, to the extent permitted by law, the right to assert a counterclaim in any action or proceeding brought against it by the Mortgagee, and waives, to the extent permitted by law, all rights to a trial by jury on any cause of action or proceeding brought by any party hereto against the other or in any counterclaim asserted by the Mortgagee against the Debtor, or in any matters whatsoever arising out of or in any way connected with this Mortgage or the Obligations, the Debtor's obligations hereunder, the Mortgaged Property, the Mortgaged Property, the Project, the relationship between the Issuer and the Debtor, the Debtor's ownership, use or occupancy of the Mortgaged Property and/or any claim for injury or damages.

**Section 7.16. Property Covered.** This Mortgage covers property principally improved or to be improved by one or more structures containing in the aggregate not more than six individual residential dwelling units, each having its own separate cooking facilities.

**Section 7.17. Assignment of Mortgage.** Upon the execution and delivery by the Issuer of the Assignment of Mortgage, all references within this Mortgage to the “Mortgagee” shall be deemed to refer to the Bank.

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the Debtor has duly executed this Mortgage as of the date first above written.

**LIFE'S W.O.R.C., INC., as Debtor**

By:   
Name: Janet Koch  
Title: Chief Financial Officer

[Signature Page to Mortgage]

STATE OF NEW YORK  
COUNTY OF ~~NEW YORK~~ *NASSAU*

On the 27 day of June, in the year 2014, before me, the undersigned, personally appeared JANET ROCK, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

*[Signature]*

Notary Public

**RICHARD J. BIONDI**  
Notary Public State of New York  
No. 01BI5005419  
Qualified in Suffolk County  
Commission Expires December 7, 2014

**EXHIBIT A**

**DESCRIPTION OF LAND**

See attached.

## Land Description

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### PARCEL1

ALL that certain plot, piece or parcel of land, together with the buildings and improvements thereon erected, situate, lying and being in unincorporated area of Farmingdale, Town of Oyster Bay, County of Nassau and State of New York, known and designated as and by Lots 8 and 9 in Block 38 on a certain map entitled, "Map of Oakwood Terrace Section Number 2 situated at Farmingdale, Town of Oyster Bay, Nassau County, New York, made by Roswell S. Baylis, C.E." filed in the Office of the Clerk of Nassau County on May 11, 1928, No. 632 and (Section 1 filed April 20, 1927, No. 628), which said lots when taken together are more particularly bounded and described according to said map as follows:

BEGINNING at a point on the easterly side of Crestwood Boulevard, distant 140.00 feet southerly from the corner formed by the intersection of the easterly side of Crestwood Boulevard and the southerly side of Grant Street;

RUNNING THENCE easterly at right angles to the easterly side of Crestwood Boulevard 99.14 feet to the map line;

THENCE southerly along the map line along a line forming an interior plot angle of 85 degrees 17 minutes 20 seconds with the last mentioned course, 40.14 feet;

THENCE westerly along a line forming an interior plot angle of 94 degrees 42 minutes 40 seconds with the last mentioned course, 95.84 feet to the easterly side of Crestwood Boulevard;

THENCE northerly along the easterly side of Crestwood Boulevard 40.00 feet to the point or place of BEGINNING.

Said premises being known as 174 Crestwood Boulevard, South Farmingdale, New York.

Section 48 Block 316 Lots 8 and 9



## Land Description

### PARCEL 2

ALL that certain plot, piece or parcel of land, together with the buildings and improvements thereon erected, situate, lying and being at Levittown, Town of Hempstead, County of Nassau and State of New York, known and designated as Lot 2 in Block 42 on a certain map entitled, "Subdivision Map of Levittown, Section 33" filed as Map No. 5208 in the Nassau County Clerk's Office, which said lot is more particularly bounded and described according to said map as follows:

BEGINNING at a point on the southerly side of Red Maple Drive South, distant 110.00 feet easterly from the corner formed by the intersection of the southerly side of Red Maple Drive South and the easterly side of Reverse Lane;

RUNNING THENCE South 1 degree 35 minutes 40 seconds East, 125.00 feet;

RUNNING THENCE North 88 degrees 24 minutes 20 seconds East, 68.23 feet;

RUNNING THENCE North 1 degree 35 minutes 40 seconds West, 125.00 feet to a point on the southerly side of Red Maple Drive South;

RUNNING THENCE South 88 degrees 24 minutes 20 seconds West along the southerly side of Red Maple Drive South, 68.23 feet to the point or place of BEGINNING.

Said premises being known as 237 Red Maple Drive, Levittown, New York.

Section 51 Block 402 Lot 2

## Land Description

### PARCEL 3

ALL that certain plot, piece or parcel of land, together with the buildings and improvements thereon erected, situate, lying and being at Levittown, near Hicksville, Town of Hempstead, County of Nassau and State of New York, known and designated as and by Lot 4 in Block 227 on a certain map entitled, "Sections X and Y, subdivision map of property known as Levittown, owned by Levitt and Sons, Inc., located at Hicksville, Town of Hempstead, Nassau County, N.Y., October, 1948, survey and map by C.A. Monroe, P.E. & L.S., 9357" filed in the Office of the Clerk of the County of Nassau on November 26, 1948, as Map Number 4622, which said lot is more particularly bounded and described according to said map as follows:

BEGINNING at a point on the westerly side of Grassy Lane, distant 180.00 feet southerly from the corner formed by the intersection of the westerly side of Grassy Lane and the southerly side of Bucket Lane;

RUNNING THENCE westerly at right angles to Grassy Lane, 100.00 feet;

THENCE southerly parallel with Grassy Lane, 60.00 feet;

THENCE easterly at right angles to Grassy Lane, 100.00 feet to the westerly side of Grassy Lane;

THENCE northerly along the westerly side of Grassy Lane, 60.00 feet to the point or place of BEGINNING.

Said premises being known as 10 Grassy Lane, Levittown, New York.

Section 45 Block 227 Lot 4

## **Land Description**

### **PARCEL 4**

ALL that certain plot, piece or parcel of land, together with the buildings and improvements thereon erected, situate, lying and being at Levittown, Town of Hempstead, County of Nassau and State of New York, known and designated as and by Lot Number 14 in Block 255 on a certain map entitled, "Section BB Subdivision Map of Property known as Levittown, owned by County Community Corp., located at Levittown, Town of Hempstead, Nassau County, New York, March 1949 survey and maps by C.A. Monroe, P.E. & L.S., No. 9357" filed in the Office of the Clerk of the County of Nassau on March 31st, 1949 as Map No. 4663, which said lot is more particularly bounded and described according to said map as follows:

BEGINNING at a point on the southerly side of Straight Lane, distant 316.45 feet westerly from the corner formed by the intersection of the southerly side of Straight Lane with the westerly side of Ripple Lane;

RUNNING THENCE westerly and along the southerly side of Straight Lane, 60.00 feet;

RUNNING THENCE southerly at right angles to the southerly side of Straight Lane, 100.00 feet;

RUNNING THENCE easterly parallel with the southerly side of Straight Lane, 60.00 feet;

RUNNING THENCE northerly at right angles to the southerly side of Straight Lane, 100.00 feet to the southerly side of Straight Lane, at the point or place of BEGINNING.

Said premises being known as 20 Straight Lane, Levittown, New York.

Section 51 Block 255 Lot 14

## Land Description

### PARCEL 5

ALL that certain plot, piece or parcel of land, together with the buildings and improvements thereon erected, situate, lying and being in Baldwin, Town of Hempstead, County of Nassau and State of New York, known as and by the lots numbered 86, 87, 88 and 89 as shown on a certain map entitled, "Map of property, of Issiah Thomas Estate, situated at Baldwin, Long Island, surveyed February 1921 by Smith & Malcomson, Inc., Engineers, Freeport, Long Island" filed in the *Office* of the Clerk of the County of Nassau on May 24, 1921 as Map No. 504, Case No. 3174 and which said lots are more particularly bounded and described according to said map as follows:

BEGINNING at a point on the easterly side of Grand Avenue, distant 125.10 feet northerly from the corner formed by the intersection of the northerly side of Thomas Avenue with the easterly side of Grand Avenue;

RUNNING THENCE South 87 degrees 41 minutes East and parallel with Thomas Avenue, 191.80 feet;

THENCE North 2 degrees 19 minutes East, 107.93 feet;

THENCE North 85 degrees 59 minutes West, 187.16 feet to the easterly side of Grand Avenue;

THENCE southerly along the easterly side of Grand Avenue on a course South 4 degrees 42 minutes West, 113.58 feet to the point or place of BEGINNING.

Said premises being known as 2645 Grand Avenue, Baldwin, New York.

Section 54 Block 216 Lot 86, 87, 88 and 89