

THIS BOND HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THIS BOND MAY NOT BE TRANSFERRED OR PLEDGED EXCEPT UPON EITHER SUCH REGISTRATION OR AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY THAT REGISTRATION IS NOT REQUIRED AND THAT SUCH TRANSFER OR PLEDGE WILL NOT RESULT IN A VIOLATION OF THE SECURITIES ACT OF 1933, AS AMENDED.

ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TAX-EXEMPT CIVIC FACILITY REVENUE BOND
(LA SALLE SCHOOL PROJECT) SERIES 2002A

NO.: R-1

PRINCIPAL AMOUNT: \$3,500,000

DATE: December 5, 2002

MATURITY DATE: See Below

ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY (the "Issuer"), a public benefit corporation of the State of New York (the "State"), acknowledges itself indebted and for value received does hereby promise to pay, but solely from the sources and as hereinafter provided, to THE TROY SAVINGS BANK, and its registered successors or assigns (the "Holder"), the principal sum of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$3,500,000), as follows:

SECTION 1. DEFINITION OF TERMS. (A) Except as defined in subsection (B) hereof, all capitalized terms used herein shall have the meanings ascribed to such terms in the Bond Purchase Agreement.

(B) The following words and terms used in this Bond shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Bond Purchase Agreement" means the bond purchase and building loan agreement dated as of December 1, 2002 by and among the Issuer, the Institution and the Holder, setting forth, among other things, the terms and conditions under which disbursements will be made by the Disbursing Agent under this Bond, as said bond purchase agreement may be amended or supplemented from time to time.

"Bond Rate" means (A), prior to the occurrence of an Event of Taxability, the Tax-Exempt Rate, (B), subsequent to the occurrence of an Event of Taxability, the Taxable Rate and (C), subsequent to the occurrence of a Tax Change, the Tax Change Rate. At any time that the interest rate on this Bond is subject to change, the Holder shall inform the Institution of the monthly payments to be due on this Bond on or after the effective date of such change in interest rate, based upon the new interest rate on this Bond.

"Closing Date" means the date of the issuance and sale of the Bond to the Holder pursuant to the provisions of the Bond Purchase Agreement.

"Construction Period" as used herein means the period commencing on the Closing Date and ending on the earlier of (A) the date which is the first day of the ninth month following the Closing Date, or (B) the date on which the Institution notifies the Holder that the Project Facility has been substantially completed in accordance with the Bond Purchase Agreement.

"Default Interest Rate" means, with respect to this Bond, a per annum rate of interest equal to 3% above the Bond Rate then payable on this Bond.

"Event of Taxability" shall have the meaning assigned to such term in the Bond Purchase Agreement.

"Federal Home Loan Bank Rate" means that rate which is set forth on the Federal Home Loan Bank's website "www.fhlbny.com" in amortizing indicators for 10 and 20 years, or the equivalent thereof if such website is not available.

"Initial Rate" means 4.82%.

"Maturity Date" means the first day of the one hundred twentieth month following the first day of the Permanent Period.

"Permanent Period" means the period commencing on the day after the end of the Construction Period and ending on the Maturity Date.

“Principal Balance” means the outstanding balance on the Bond from time to time.

“Redemption Price” means in the Event of Taxability, the price equal to the principal amount of the Bond, plus accrued interest to the redemption date and any other costs or expenses of the Holder in connection therewith.

“Taxable Rate” means the Federal Home Loan Bank Rate, plus two and 20/100 (2.20%) percent.

“Tax-Change” shall mean a change in the Code, the regulations promulgated thereunder, or in the interpretation thereof, by any court or governmental authority, which results in a reduction in the amount of interest deductible by the Holder, as respects this Bond and as provided for by the Code, as in effect on the dated date of this Bond.

“Tax Change Rate” shall mean that rate which would provide the Holder with a tax equivalent yield equal to a per annum rate of interest equal to the then-existing equivalent term Federal Home Loan Bank Rate plus two and 20/100 percent (2.20%). The Tax Change Rate, if applied, shall adjust on each Adjustment Date.

“Tax-Exempt Rate” means the Initial Rate.

SECTION 2. PAYMENTS, INTEREST AND PAYMENT CHARGE. (A) Principal and interest on this Bond shall be payable as follows:

(1) Interest on the unpaid Principal Balance shall accrue at the Initial Rate for the period commencing on the Closing Date and ending on the date that this Bond is paid in full.

(2) (a) Commencing on January 1, 2003, and continuing on the first day of each successive month thereafter to and including the first day of the month immediately following the last day of the Construction Period, all interest accruing hereunder shall be due and payable monthly at the Initial Rate; and (b) no principal payments shall be due during the Construction Period.

(3) Commencing on the first day of the month immediately following the commencement of the Permanent Period, for the period

from the first day of the Permanent Period to and including the Maturity Date, the Institution shall make monthly payments of principal and interest in an amount sufficient to fully amortize the outstanding Principal Balance due on this Bond at the Tax-Exempt Rate over a twenty year period.

(4) Notwithstanding anything herein to the contrary, on the Maturity Date, the outstanding Principal Balance of this Bond, together with any accrued and unpaid interest, shall be due and payable.

(B) Interest shall be payable on the basis of a 360 day year and the actual number of days elapsed.

(C) In the event any payment related to this Bond or of principal or interest due on this Bond shall not be received by the Holder for a period of fifteen (15) days including and after the date when due, the Issuer shall pay the Holder a late payment charge in an amount equal to five percent (5%) of any such overdue payment.

(D) Payment of the principal of, premium, if any, and interest on this Bond shall be made at the office of the Issuer, presently located at 112 State Street, Room 1116, Albany, New York 12207, or at such other place as may be agreed upon in advance by the Issuer, the Institution and the Holder. So long as The Troy Savings Bank shall be the sole holder of this Bond, such payments shall be sent to The Troy Savings Bank at Hedley Park Place, 433 River Street, Troy, New York 12180, or at such other address as The Troy Savings Bank may designate to the Issuer and the Institution in writing.

(E) The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America which at the time of payment is lawful tender for the payment of public and private debts.

(F) The Bond Purchase Agreement provides, among other things, that the Disbursing Agent shall disburse the proceeds of this Bond to pay the Cost of the Project, but only upon the satisfaction of the requirements set forth in the Bond Purchase Agreement for making such disbursements.

(G) As provided in Article V of the Bond Purchase Agreement, the Bond Rate shall convert to the Taxable Rate upon the occurrence of any Event of Taxability, as provided in Section 505 of the Bond Purchase Agreement, or to the Tax Change Rate, in the event of a Tax Change. In addition, upon the occurrence of an Event of Default, the Issuer may be obligated to make certain additional

payments to the Holder, as provided in Section 505 of the Bond Purchase Agreement.

SECTION 3. THE PROJECT. This Bond is issued pursuant to a bond resolution duly adopted by the members of the Issuer on December 4, 2002 (the "Bond Resolution") and the Bond Purchase Agreement for the purpose of undertaking a project (the "Project") consisting of (A) (1) the acquisition of an interest in a parcel of real estate containing approximately 6.13 acres located at 391 Western Avenue in the City of Albany, Albany County, New York (the "Land"), together with the existing buildings described as follows located on the Land: (a) the Tower Building containing approximately 18,200 square feet of space, (b) the Burke Building containing approximately 16,000 square feet of space, and (c) the Administration Building containing approximately 11,100 square feet of space (collectively, the "Facility"), (2) the reconstruction of the Facility, (3) the acquisition and installation therein and thereon of certain machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"), and (4) the refinancing of certain existing indebtedness incurred by the Institution in connection with the acquisition, construction, reconstruction, renovation and equipping of various portions of the improvements located on the Land, all of the foregoing to constitute a facility to be owned and operated by the Institution as an educational facility and for directly and indirectly related uses, (B) the financing of all or a portion of the costs of the foregoing by the issuance of the Bond, and (C) the sale of the Project Facility to the Institution pursuant to the terms of the Installment Sale Agreement dated as of December 4, 2002 by and between the Issuer and the Institution.

SECTION 4. SECURITY; DOCUMENTS. (A) This Bond is secured by (1) the Mortgage, (2) the Assignment of Rents, (3) the Pledge and Assignment, and (4) the other Financing Documents.

(B) All payments made on the Bond by or on behalf of the Issuer or the Institution to the Holder, or to its successors or assigns, or upon its or their order, pursuant to the Installment Sale Agreement, the Assignment of Rents, the Pledge and Assignment, the Mortgage or the other Financing Documents shall, to the extent of the sum or sums so paid, satisfy and discharge the liability of the Issuer upon this Bond or under the Bond Purchase Agreement, as the case may be.

(C) Reference is hereby made to each of the Financing Documents and to all amendments and supplements thereto, copies of which are and will be on file at the office of the Holder currently located at The Hedley Park Place, 433

River Street, Troy, New York 12180 for a description of the rights, duties and obligations of the Issuer, the Institution and the holder of this Bond. By acceptance of this Bond, the Holder hereof assents to all the provisions of the Financing Documents and to all amendments and supplements thereto made in accordance with the provisions thereof.

SECTION 5. DEFAULT; REMEDIES; COSTS. (A) The outstanding Principal Balance of this Bond, together with interest on the outstanding Principal Balance at the Default Interest Rate, shall become immediately due and payable at the option of the Holder on the happening of an "Event of Default", as defined in the Bond Purchase Agreement.

(B) The Issuer promises and agrees to pay, subject to the provisions of Section 7 hereof, immediately upon demand all costs and expenses of the Holder including reasonable attorney's fees, court costs and title search expenses (1) if after default this Bond be placed in the hands of an attorney or attorneys for collection, whether or not an action or proceeding is pending, or (2) if the Holder seeks to have the Mortgaged Property abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of this Bond, prohibiting the foreclosure of the Mortgage, or prohibiting the enforcement of the Mortgage or any other agreement evidencing or securing this Bond lifted by any bankruptcy or other court.

(C) If the Holder shall be made a party to or shall intervene in any action or proceeding, whether in court or before any governmental agency, affecting the Mortgaged Property or the title hereto, or the interest of the Holder under the Mortgage, including without limitation, any form of condemnation or eminent domain proceeding, the Holder shall be reimbursed by the Institution, immediately upon demand, for all costs, charges and reasonable attorneys' fees incurred by the Holder in any such case, together with interest thereon at the Default Interest Rate from the date incurred by the Holder until paid by the Institution, and the same shall be secured by the Mortgage as a further charge and lien upon the Mortgaged Property.

SECTION 6. WAIVER. (A) To the extent provided by law, the Issuer, and all endorsers hereof, and all others who may become liable for all or any part of the obligations evidenced hereby, hereby waive and renounce (1) any and all homestead and exemption rights, (2) the benefits of all valuation and appraisal privileges as against the indebtedness evidenced by this Bond and any renewal or extension thereof, (3) presentment for payment, demand, protest, notice of non-payment, demand and dishonor and all other notices and any and all

lack of diligence or delays in collections or enforcement hereof and (4) the right to plead any and all statutes of limitations as a defense to any demand on this Bond or under the Mortgage.

(B) The Issuer expressly consents to any extension of time, release of any party liable for the obligations evidenced hereby, release of any of the security for this Bond, acceptance of other security for this Bond, acceptance of other security herefor or any other indulgence or forbearance which the Issuer agrees may be made without notice to any party and without in any way affecting the liability of any party hereunder or under the Mortgage.

(C) Failure to accelerate the indebtedness evidenced by this Bond by reason of default hereunder or under the Mortgage, or the acceptance of a past due installment of interest and/or principal hereunder, shall not be construed (1) as a novation of this Bond or as a waiver of such right of acceleration or of the right of the Holder hereof thereafter to insist upon strict compliance with the terms of this Bond or (2) so as to prevent the exercise of such right of acceleration or any other right granted hereunder or under the Mortgage or by the laws of the State of New York. The Issuer hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of time for the payment of this Bond shall operate so as to release, discharge, modify, change or affect the original liability of the Issuer under this Bond, either in whole or in part, unless the Holder agrees otherwise in writing.

SECTION 7. SPECIAL OBLIGATION. (A) This Bond is a special obligation of the Issuer and is payable solely out of the revenues and other monies derived from the leasing, sale or other disposition of the Project Facility and as otherwise provided in the Bond Resolution, the Bond Purchase Agreement, the Installment Sale Agreement, the Pledge and Assignment, the Mortgage and the other Financing Documents.

(B) NEITHER THE MEMBERS, DIRECTORS, OFFICERS, AGENTS, SERVANTS OR EMPLOYEES OF THE ISSUER, NOR ANY PERSON EXECUTING THIS BOND ON BEHALF OF THE ISSUER, SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE, SALE OR DELIVERY HEREOF OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BASED HEREON. NO COVENANT OR AGREEMENT CONTAINED IN THIS BOND, THE MORTGAGE, THE INSTALLMENT SALE AGREEMENT, THE BOND

PURCHASE AGREEMENT OR THE OTHER FINANCING DOCUMENTS SHALL BE DEEMED TO BE THE COVENANT OR AGREEMENT OF ANY MEMBER, DIRECTOR, OFFICER, AGENT, SERVANT OR EMPLOYEE OF THE ISSUER IN HIS INDIVIDUAL CAPACITY. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THIS BOND, OR FOR ANY CLAIM BASED HEREON OR ON THE BOND PURCHASE AGREEMENT, THE MORTGAGE, THE INSTALLMENT SALE AGREEMENT OR THE OTHER FINANCING DOCUMENTS, AGAINST ANY MEMBER, DIRECTOR, OFFICER, AGENT, SERVANT 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, DIRECTORS, OFFICERS, AGENTS, SERVANTS OR EMPLOYEES BEING WAIVED AND RELEASED, TO THE EXTENT PERMITTED BY LAW, AS A CONDITION OF, AND AS CONSIDERATION FOR, THE EXECUTION AND DELIVERY OF THIS BOND, THE MORTGAGE, THE INSTALLMENT SALE AGREEMENT, THE BOND PURCHASE AGREEMENT AND THE OTHER FINANCING DOCUMENTS.

(C) THIS BOND IS NOT AND SHALL NOT BE DEEMED TO CONSTITUTE, A DEBT OF THE STATE OF NEW YORK, ALBANY COUNTY, NEW YORK OR ANY PUBLIC BENEFIT CORPORATION OR POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER), AND NEITHER THE STATE OF NEW YORK, ALBANY COUNTY, NEW YORK NOR ANY SUCH PUBLIC BENEFIT CORPORATION OR POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE HEREON.

SECTION 8. TRANSFERENCE. (A) This Bond shall be transferable only upon the books of the Issuer at the principal office of The Troy Savings Bank, as bond registrar (the "Bond Registrar") for the Issuer, currently located at Hedley Park Place, 433 River Street, Troy, New York 12180, or at the office of any successor Bond Registrar, by the Holder in person or by its attorney duly authorized in writing, upon surrender of this Bond together with (1) a written instrument of transfer satisfactory to the Bond Registrar and duly executed by the registered owner of this Bond or by such duly authorized attorney, (2) the execution and delivery to the transferee of this Bond by such registered owner or by such duly authorized attorney of written instruments effecting the assignment and transfer of

the Mortgage and the other Financing Documents to the transferee of this Bond, (3) except with respect to the transfer of the Bond to a Financial Institution, the delivery to the Issuer and the Institution of an opinion of counsel reasonably satisfactory to the Issuer and the Institution that such transfer will not require registration of this Bond under any securities law (or proof of registration under such securities laws), (4) except with respect to the transfer of the Bond to a Financial Institution, the delivery to the Issuer of a certificate from the proposed transferee to the effect that the proposed transferee has been provided with all requested disclosure information by the Institution and (5) the payment to the Bond Registrar of an amount equal to the costs of effecting such transfer and any tax, fee or other governmental charge required to be paid with respect to such transfer. No such transfer of this Bond shall be valid unless made on such books and similarly noted by endorsement of the Bond Registrar on this Bond, or unless, at the expense of the registered owner of this Bond, the Issuer shall execute and deliver a new Bond registered in the name of the transferee.

(B) The Issuer may deem and treat the person in whose name this Bond is registered as the absolute owner hereof and 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.

SECTION 9. PREPAYMENT. This Bond may be prepaid, in whole or in part, upon ten (10) days prior written notice to the Holder, prior to the Maturity Date, at the option of the Issuer, upon the direction of the Company, without premium or penalty therefore. Notwithstanding the foregoing, if any such prepayment is the result of a refinancing of the Indebtedness by a lender other than the Holder, then, in such case, this Bond shall be prepaid at a prepayment price equal to (i) one hundred three percent (103%) of the principal amount being prepaid, plus accrued interest thereon to the date of such prepayment, during the Construction Period and the first year of the Permanent Period, (ii) one hundred two percent (102%) of the principal amount being prepaid, plus accrued interest thereon to the date of such prepayment, during the second year of the Permanent Period, (iii) one hundred one percent (101%) of the principal amount being prepaid, plus accrued interest thereon to the date of such prepayment, during the third year of the Permanent Period, and (iv) one hundred percent (100%) of the principal amount being prepaid, plus accrued interest thereon to the date of such prepayment, during the fourth year of the Permanent Period and thereafter.

(B) This Bond shall be subject to mandatory prepayment at the option of the Holder, in whole, at a prepayment price equal to one hundred percent (100%) of the principal amount hereof plus accrued interest to the date of such prepayment, and any prepayment premium which would be due if such prepayment were a voluntary prepayment, in the event that the Project Facility is conveyed, transferred, leased or sold and leased back (except as contemplated in this transaction), or substantially abandoned for use by the Institution or its affiliates.

(C) This Bond shall be subject to mandatory prepayment, in whole or in part, at a prepayment price equal to one hundred percent (100%) of the principal amount so prepaid plus accrued interest thereon to the date of such prepayment, in the event that (1) there are any Net Proceeds of amounts received from or on behalf of contractors, subcontractors or materialmen, as provided in the Installment Sale Agreement, or (2) there are any moneys remaining in the Insurance and Condemnation Fund after payment of all costs of restoring the Project Facility as provided in Section 406(G) of the Bond Purchase Agreement.

(D) Any partial prepayment shall be applied to the unpaid principal installments due on this Bond in inverse order of maturity. No partial prepayment of this Bond shall alter the amount of the periodic installments due pursuant to this Bond.

SECTION 10. COVENANT AGAINST USURY. Notwithstanding anything herein or in the Mortgage or in any related document to the contrary, it is not the intention of the Holder to charge nor shall there at any time be charged or become due and payable hereunder or under the Mortgage any interest which would result in a rate of interest being charged which is in excess of the maximum rate permitted to be charged by law, and in the event that any sum in excess of the maximum legal rate of interest is paid or charged, the same shall, immediately upon discovery thereof, be deemed to have been a prepayment of principal (which prepayment shall be permitted, and be without premium or penalty) as of the date of such receipt, and all payments made thereafter shall be approximately reapplied to interest and principal to give effect to the maximum rate permitted by law and, after such reapplication, any excess payment shall be immediately refunded to the Institution.

SECTION 11. MISCELLANEOUS. (A) This Bond shall be binding upon the Issuer, its successors and assigns and shall inure to the benefit of the Holder and its successors and assigns.

(B) This Bond shall be construed in accordance with the laws of the State.

(C) This Bond may not be changed or terminated orally, but only by an agreement in writing signed by the party against whom enforcement of such change or termination is sought.

(D) The representatives of the Issuer subscribing below represent that they have full power, authority and legal right to execute and deliver this Bond and that the debt hereunder constitutes a valid binding obligation of the Issuer.

(E) It is hereby certified, recited and declared that all conditions, acts and things required by law, the Bond Resolution and the Bond Purchase Agreement to exist, to have happened and to have been performed precedent to and in the issuance, execution and delivery of this Bond do exist, have happened and have been performed and that the issuance of this Bond, together with all other obligations of the Issuer, does not exceed or violate any constitutional, corporate or statutory limitations.

SPECIMEN

IN WITNESS WHEREOF, ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairman or Vice Chairman and its corporate seal to be hereunto affixed, impressed, imprinted or otherwise reproduced hereon and attested by the manual or facsimile signature of its Secretary or Assistant Secretary.

Dated: December 5, 2002

ALBANY COUNTY INDUSTRIAL DEVELOPMENT AGENCY

BY: Lawrence J. Reddick
(Vice) Chairman

-SEAL-

ATTEST:

Austin M. Burns
(Assistant) Secretary

SPECIMEN

REGISTRATION

DATE OF REGISTRATION	REGISTERED IN WHOSE NAME	BOND REGISTRAR

SPECIMEN

[Form of Assignment for Transfer]

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto (please insert name, address and social security or tax identification number of _____ assignee:

_____ the within Bond and does hereby irrevocably constitute and appoint to _____

transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

NOTICE: The signature(s) on this assignment must correspond with the name(s) as it (they) appear(s) on the face of the within Bond in every particular.

In the presence of:

SPECIMEN